

# TOWN OF MARION, MASSACHUSETTS

## HOUSING PRODUCTION PLAN



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# TOWN OF MARION

## HOUSING PRODUCTION PLAN

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# TOWN OF MARION

## HOUSING PRODUCTION PLAN

### I. EXECUTIVE SUMMARY

This Housing Production Plan presents an overview of the current housing situation in the town of Marion, providing the context within which a responsive set of strategies has been developed to address housing needs and meet annual production goals.

#### A. Priority Housing Needs Require a Mix of Housing Choices

The Town wants to insure that future growth maintains some diversity in the housing stock, including housing that meets the full range of local needs. For example, estimates suggest that at least half of Marion households could not afford the median priced home of \$369,900 in 2009, approximately the same as the median price as of October 2010. Given much stricter lending requirements, home purchasers must also come up with the 20% down payment. Sixty percent of residents could not afford the median priced home if 95% financing was available to them, requiring an income of about \$94,500 but much less upfront cash. In fact, for first-time homebuyers without equity from a former purchase, the down payment can be considered part of the affordability gap (the difference between the median priced house and what a median income household can afford).

The affordability gap increases to \$139,900 if the analysis focuses on those low and moderate-income households earning at or below 80% of area median income, or \$57,500 for a family of three. This household would likely be unable to afford a house costing more than about \$230,000 based on conventional lending terms and also assuming they could access 95% financing from a state subsidized mortgage program (such as the Soft Second Loan Program or MassHousing's Community Advantage Program). Clearly subsidies are required to provide homeownership opportunities for many earning at median income and a must for those first-time purchasers with incomes at or below 80% of area median income, a requirement of housing affordability under Chapter 40B.<sup>1</sup>

In regard to rentals, local real estate listings indicate that market rents are at least about \$1,000 for two-bedroom units, requiring an income of about \$40,000 based on a household spending no more than 30% of its income on just the rent. When considering additional housing-related expenses such as utilities, the required income goes up still further for the unit

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<sup>1</sup> The maximum income a three-member household would be eligible to earn within the Chapter 40B affordability parameters is \$57,250 in 2009, \$57,500 in 2010.

to meet the 30% of income test. Rentals also typically include substantial up-front leasing costs of first and last months rent, a security deposit and moving expenses. To put these rentals into another context, someone earning the minimum wage of \$8.00 for 40 hours per week and every week during the year would still only earn a gross income of \$16,640. Households with two persons earning the minimum wage would still fall very short of the income required to rent in Marion.

In 2000, Marion's housing stock included a 79 to 21 percent ratio of homeownership units to rentals, and almost all affordable units included in the Subsidized Housing Inventory (SHI) have boosted rentals in an effort to continue to diversify the housing stock. To further diversify housing and present a range of affordable housing options in Marion, the Town will need to pay particular attention to the following housing issues and needs:

#### **Households with Limited Incomes**

Despite increasing household wealth, there still remains a population living in Marion with very limited financial means. Given the high costs of housing, including sizable up-front costs, more subsidized rental housing is necessary to make living in Marion affordable, particularly to those who have very limited financial means.

#### **Gaps in Affordability and Access to Affordable Housing**

A wider range of affordable housing options is needed, including first-time homeownership opportunities, for those priced out of the housing market, particularly for younger households entering the job market and forming their own families, municipal employees, as well as empty nesters and older adults.

#### **Housing Conditions**

Given that 60% of Marion's housing stock was built before 1970, programs to support necessary home improvements are needed, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly older residents living on fixed incomes.

### **Target Populations**

The issues described above impact specific target populations in particular including the following:

#### **Older Adults**

Older adults are becoming a larger segment of Marion's population and the rise is projected to continue to increase in the future. Projections from the Massachusetts Institute for Social and Economic Research (MISER) indicate substantial growth of all the older age cohorts, projecting an increase of those age 65 or older from 17.7% of all residents in 2000 to 27.8% by 2020. Housing alternatives to accommodate this aging population, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance requirements, should be considered in housing planning efforts.

#### **Families**

Families comprise about 72% of all households in Marion but only three (3) subsidized units

are currently available to them. Single parent households, female-headed households in particular, are among the most financially vulnerable residents in Marion.

#### **Persons with Special Needs**

Some amount of new housing should be built adaptable or accessible to the disabled, and supportive services should also be considered, including the possibility of additional group homes.

#### **Municipal Employees**

Housing for Marion Town employees has been a problem because the costs of homeownership are so high, exacerbated by very low vacancy rates for both homes and apartments. For those municipal employees who live in Marion, a two-wage household and/or second jobs are a way of life. Municipal employees, when they meet project eligibility requirements, are among the categories of those who can receive preference for new affordable units.

### **B. Housing Goals and Challenges**

Another consideration with respect to affordable housing is Chapter 40B that dictates if a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>2</sup>

This updated and augmented Housing Plan provides a blueprint to help Marion further its progress towards meeting the state 10% affordable housing threshold, presenting a proactive housing agenda of Town-sponsored initiatives. Also, if the Town meets the annual goal of producing ten (10) or eleven (11) units (the 11 units when the 2010 census data is released), it will have the likely ability to deny unwanted Chapter 40B development through state Housing Production regulations. In fact, based on progress in providing affordable housing through the approval of the Little Neck Village expansion project, Marion was “certified” under its Housing Plan, and can deny inappropriate comprehensive permit projects through late 2010.

In 2005, the Town of Marion prepared a Ten-Year Plan – *Marion 2015* – that included five (5) major goals, one of which related to housing and stated:

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<sup>2</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

*To maintain the social and economic diversity of the Town by fostering small businesses, a variety of housing options, mixed uses, and a sense of community.*

As mentioned above, the Town has made recent progress towards this goal through the planned expansion and redevelopment of Little Neck Village into 48 units for low-income older adults.

### **C. Summary of Demographic and Housing Characteristics and Trends**

Table 1-2 summarizes demographic and housing characteristics in Marion and compares this information to that of Plymouth County and the state. This information shows some sizable differences and similarities from other communities in the region and the state such as:

- **Population and Housing Growth – Starting to Slow Down**

From 1980 to 2000, Marion's population increased by 1,191 residents, or 30.3%, to 5,123 residents, putting substantial pressures on local services and prompting local leaders to reflect on ways to better plan for continued growth. Since then, Town records show some loss of residents, bringing the total population count down to 5,025.

In regard to housing growth, between 1980 and 2000 the number of units increased by 704 to 2,439 total units, representing more than a 40% rate of growth. Since then housing growth has slowed considerably with only 134 units added from 2000 through mid-November 2009. It should be noted that population growth lagged behind housing growth between 1980 and 2000, with a 30% rate of population growth as opposed to 40% for housing. This disparity is largely due to the decreasing number of residents per unit and increase in seasonal units or second homes.

- **High Level of Homeownership**

Out of 2,439 total housing units in 2000, Marion had 1,996 occupied units, of which 1,570, or 78.7%, were owner-occupied while the remaining 426 units, or 21.3%, were rental units. The lower occupancy figures in Marion reflect a larger portion of seasonal units or second homes (14% of all units). Also, these figures represent a somewhat higher level of owner-occupancy than that for Plymouth County as a whole with 76% and for the Boston region at 57%.

- **Housing Types – Older Single-family Homes Predominate**

The 2000 census indicated that 2,154 units, or 88.3% of all units, were single-family detached homes, much higher than the 71.7% level for the county and the 52.4% level for the state as a whole. Marion's housing stock also tends to be characterized by very low vacancy rates and a decreasing number of persons per unit. Rentals tend to be in single-family homes and about half of the community's housing was built prior to 1960.

**Table I-2: Summary of Demographic and Housing Characteristics for Marion, Plymouth County and the State**

Characteristics	Marion		Plymouth County		Massachusetts	
Demographic Characteristics						
	2000 Census	2009 Estimate*	2000 Census	2008 Estimate*	2000 Census	2008 Estimate*
Total population	5,123	5,202	472,822	492,066	6,349,097	6,497,967
% less than 18 years	25.1%	22.6%	26.8%	23.9%	23.6%	22.0%
% 20 to 34 years	12.2%	12.9% (21-34)	30.5%	17.2%	21.0%	19.8%
% 35 to 44 years	15.2%	11.0%	17.5%	14.1%	16.7%	14.7%
% 45 to 54 years	17.0%	16.2%	14.7%	16.4%	13.8%	15.4%
% 55 to 64 years	11.3%	15.3%	9.2%	12.6%	8.6%	11.6%
% 65 years or more	17.7%	18.6%	11.8%	12.7%	13.5%	13.4%
Median age	42.5 years	45.1 years	36.8 years	39.8 years	36.5 years	38.7 years
% non-family households	27.8%	--	27.3%	30.5%	36%	36.4%
Average household size	2.51 persons	2.47 persons	2.74 persons	2.71 persons	2.51 persons	2.33 persons
Median income	\$61,250	\$76,640	\$55,615	\$73,325	\$50,502	\$65,401
Individuals in poverty	4.6%	--	6.6%	6.6%	9%	9.7%
% earning less than \$25,000	14.9%	10.2%	20.5%	15.5%	24.6%	19.8%
% earning more than \$100,000	27.3%	37.2%	18.8%	34.1%	17.7%	30.2%
Housing Characteristics						
Total units as of 11/09	2,439	2,573	181,524	193,350	2,621,989	2,735,645
% occupied housing	81.8%	--	92.7%	91.3%	93.2%	90.2%
% owner-occupied	78.7%	79.4%	75.6%	77.6%	61.7%	64.5%
% renter-occupied	21.3%	20.6%	24.4%	22.4%	38.3%	35.5%
% seasonal or occasional use	14.1%	--	4.7%	--	3.6%	--
% single-family, detached structures	88.3%	88.8%	71.7%	70.2%	52.4%	52.9%
Median sales price	\$231,200	\$369,900	\$179,000	358,400	\$185,000	\$264,900
Housing growth 2000 to 11/2009	5.5%		6.5%		4.3%	
Housing density 2000 to 11/2009	166.7 to 175.9 units per sq. mile		166.1 to 176.9 units per sq. mile		334.5 to 349 units per square mile	



Source: Data for the above table is derived from the 2000 census, and updated estimates have been incorporated. The numbers for the County and state are updated census projections based on the 2008 American Community Survey unless otherwise noted. The estimates for Marion are from the Nielsen Claritas data source, 2009.

- **Age of Population – Somewhat Older**

In comparison to Plymouth County and the state in general, Marion's population tends to be on average a bit older, with a median age of 42.5 years as opposed to 36.8 years for the county and 36.5 years for the state. These medians have increased and are now estimated to be 45.1 years for Marion and 39.8 and 38.7 years for the county and state, respectively.

The town had a lower proportion of school-age children with 25.1% of the population less than 18 years of age versus 26.8% and 23.6% for the county and state in 2000, respectively. This age group is projected to continue to decrease in Marion, estimated to be down to 22.6% in 2009 according to the Nielsen Claritas data source and 19.4% according to Town records. However, the town has a considerably smaller number of those aged 20 to 34 who are forming new families and entering the labor market, 12.2% of all residents in Marion but 30.5% for the county and 21% for the state in 2000. The high costs of homeownership are likely creating barriers for this age group, making it increasingly more likely that those who grew up in Marion will be less able to raise their own families locally.

Marion also had a somewhat higher percentage of those 45 to 54 years of age who are entering the prime of their earning potential and better able to afford the higher cost of housing, 17.7% as opposed to 14.7% for the county and 13.8% for the state. The town also had a somewhat higher portion of older adults 65 years of age or older at 17.7% versus 11.8% for the county and 13.5% for the state. The percentage of residents in this age category was estimated to have increased to 18.6% by 2009.

- **Types of Households – Smaller and More Non-family Households<sup>3</sup>**

Marion had a comparable proportion of non-family households as the county, 27.8% versus 27.4%. The state level of non-family households was even higher at 36%. This correlates to the relatively lower proportion of children in Marion and lower median household size of 2.51 persons as opposed to 2.74 persons in Plymouth County.

- **Incomes Levels – Greater Affluence**

Median income levels per the 2000 census were significantly higher than those of the county or state, \$61,250 in Marion as opposed to \$55,615 and \$50,500 for the county and state, respectively. Additionally, the percentage of those earning less than \$25,000 annually was only 14.9% in Marion, while it was 20.5% for the county and 24.6% for the

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<sup>3</sup> Non-family households included single individuals and unrelated household members.

state. The median income increased to \$76,640 according to 2009 estimates, still ahead of county and state estimates. Correspondingly, Marion had a lower proportion of residents living in poverty, 4.6%, while the percentage for the county was 6.6% and the state's was 9.0%. There were also higher proportions of Marion residents earning more than \$100,000, 27.3% (projected to have increased to 37.2% in 2009) as opposed to 18.8% for the county and 17.7% for the state.

- **Housing Market Conditions – Prices Remain High**

The 2000 median housing prices provide a comparison of the Marion housing market to that of Plymouth County and the state, with substantially higher market values -- \$231,200 for Marion, \$179,200 for the county and \$185,700 for the state. Since that time housing prices nearly doubled in Marion, only declining somewhat over the last year or so given the national financial crisis. The median house value as of the end of September 2009 was \$369,900, about the same level as October 2010. To afford this price a household would have to earn approximately \$78,400<sup>4</sup> (\$94,500 with 95% financing), somewhat more than the adjusted median income of \$76,640.<sup>5</sup>

Escalating housing costs are also reflected in increased property taxes, energy bills and insurance costs, which in combination with more stringent lending requirements (including down payments of 20% of the purchase price), have placed serious financial strains on long-term residents, particularly those with fixed incomes, and have posed additional challenges for first-time homebuyers. While median prices have come down somewhat, to \$350,250 by August 2010, most housing that comes on the market in Marion remains out of reach for those without substantial equity in a former home or significant income.

In regard to rentals, it is difficult to find year-round options for less than \$1,000 per month, that in combination with utility costs as well as up-front lease requirements (first and last months rent and a security deposit), make even renting difficult to afford in Marion.

- **Supply of Workforce Housing – Limited Affordability**

Recent sales data from the Multiple Listing Service for single-family homes indicated few single-family homes have been sold for under \$200,000 that would be affordable to low- and moderate-income households. Additionally, the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory states that Marion had 2,095 year-round housing units<sup>6</sup>, of which 90 were counted as affordable,

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<sup>4</sup> Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$7.87 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, and estimated monthly condo fees of \$300.

<sup>5</sup> Based on the Nielsen Claritas, Inc. (a proprietary data source) 2009 estimate of median income for Marion.

<sup>6</sup> The census calculates year-round units by subtracting seasonal units or second homes from the total unit

representing 4.3% of the year-round housing stock. The addition of another potential proposed 175 units will bring the SHI count to 265 units or 12.6% of the current year-round housing stock of 2,095 units and about 11.9% of the projected year-round count of about 2,235 units.

In summary, gaps remain between what most current residents can afford and the housing that is available. In fact the current homeownership market is largely outside the means of even those earning at the median income level. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the older adults, are finding themselves less able to maintain their homes and keep up with increased housing-related costs but also hard-pressed to find alternative housing that better meets their current lifestyles. Families are finding it more difficult to hold onto their homes given the faltering economy, as there have been some foreclosures, or “buy up,” purchasing larger homes as their families grow. Town employees and employees of the local businesses continue to be challenged in locating housing that is affordable in town. More housing options are required to meet these local needs and produce Marion’s fair share of regional needs.

#### **D. Summary of Production Goals**

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>7</sup> Marion would have to produce at least ten (10) affordable units annually to meet these production goals, a formidable challenge. This goal is likely to increase to about 11 units after the next decennial census count becomes available, and housing growth will continue to drive-up the 10% goal. If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications.<sup>8</sup> In fact, Marion has met production goals in the past

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count.

<sup>7</sup> The state has issued changes to Chapter 40B that included modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).

<sup>8</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA’s assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA’s notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

through the Little Neck Village project. Production goals over the next five (5) years include the creation of 204 affordable units.<sup>9</sup>

## **E. Summary of Housing Strategies**

Within the context of the compliance issues, local needs, existing resources, affordability requirements, and housing goals, the following housing strategies are proposed. *It is important to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels.* Moreover, the proposed actions present opportunities to judiciously invest limited Community Preservation funding to build local capacity, modify or create new local zoning provisions and development policies, subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, and help preserve the existing affordable housing stock.

### **1. Build Local Capacity**

Specific actions to help build local capacity to meet local housing needs and production goals are summarized below. While these strategies do not directly produce affordable units, they provide the necessary support to implement a proactive housing agenda and build local support for new affordable housing initiatives.

- Conduct ongoing educational campaign
- Capitalize the Marion Affordable Housing Trust
- Insure professional support
- Update local LIP rules and procedures

### **2. Zoning Strategies**

Housing production is contingent not only on actual development projects but on the regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town's Zoning Bylaw, and new tools will be required to capture more affordable units and better guide new development to specific "smarter" locations.

- Promote affordable housing in mixed-use development
- Modify inclusionary zoning
- Modify the accessory apartment bylaw
- Map a Residence E District
- Exempt affordable housing from the development rate and subdivision phasing bylaws

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<sup>9</sup> Includes the Bay Watch 40B development.

### 3. Housing Production Strategies

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Marion to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to rely on joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been actively pursuing over the past few years.

- Continue to make publicly-owned land available for affordable housing
- Continue to partner with developers
- Convert existing housing to affordability

It should be noted that the Town may be able to reserve up to 70% of the affordable units in any new development for those who have a connection to Marion, as defined by the state and referred to as “community preference” units.<sup>10</sup>

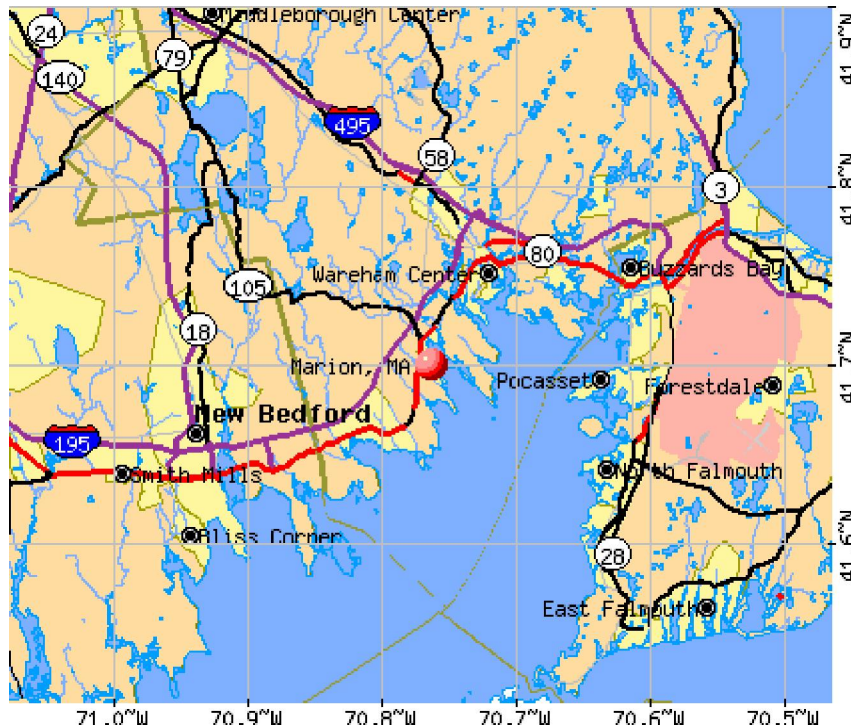
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<sup>10</sup> “Community preference” units are allowed pursuant to submission of an Affirmative Fair Housing Marketing Plan, the requirements of which are promulgated by the state and last updated on June 25, 2008. These requirements include the following allowable preference categories:

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- Municipal employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- Employees of local businesses: Employees of businesses located in the municipality.
- Households with children attending the locality’s schools, such as METCO students.

## II. INTRODUCTION

Marion is a small seacoast community with roots going back to 1679, when the town was first settled and known as Sippican, originally a part of the town of Rochester. In 1852 the town was separated from Rochester and renamed Marion in honor of the Revolutionary War hero, Frances Marion. The Town of Marion is situated in southeastern Massachusetts, about 55 miles from Boston, bordered by Wareham on the northeast, Buzzards Bay on the east and south, and Mattapoisett and Rochester on the southwest and northwest.



Marion has been growing over the years, with an increase of 20% in the number of residents between 1960 and 1970, and a 30% rate of growth between 1980 and 2000, bringing the population up to 5,123 residents. The Town, concerned about accommodating continued growth, undertook the development of a ten-year comprehensive plan, *Marion 2015*. The Plan focuses on the need for Town services to grow in proportion to the population, identifying that the major challenge facing Marion was accommodating “growth and change”, also acknowledging a range of new municipal responsibilities, some related to promoting affordable housing.

Part of the *Marion 2015* planning effort was a community survey to all businesses and another resident survey that was mailed to all registered voters and seasonal homeowners with a response rate of 26.5% for the resident survey. The survey results confirmed resident concerns about the impacts of growth and strong interest in



maintaining the character of the town as a small, seaside historic village. Not surprisingly, there was substantial support for restricting development and maintaining open space. Respondents who have lived in town for a longer period of time identify elder issues, the high cost of housing (and need for affordable housing), and public transportation as more critical in comparison to more recent residents. In fact, the survey also found that 43.4% of respondents view the high cost of housing as a critical issue in Marion and housing affordability was the second highest concern among residents. More than half of the respondents, 54.9%, indicated that there was too little affordable housing in the community. Solutions to the affordability problem included independent living options for older adults, requiring developers to construct affordable units, authorizing condos or townhouses in appropriate areas, mixed-use higher density development, and cluster development.

#### **A. Purpose of the Project**

This Housing Production Plan has been prepared and submitted to the state for approval under Massachusetts General Laws Chapter 40B, 760 CMR 56.00. The Plan involves updating and augmenting the 2005 Affordable Housing Plan that expired in February 2010, and building on the ten-year plan – *Marion 2015* – that was spearheaded by the Marion 2015 Task Force and assisted by the Center for Policy Analysis of the University of Massachusetts Dartmouth as part of a comprehensive community planning process. One of the major goals established under this planning process was “to maintain the social and economic diversity of the Town by fostering small businesses, a variety of housing options, mixed uses, and a sense of community”. The town has made progress on this housing goal as it has sponsored the expansion and redevelopment of the existing Little Neck Village senior rental development into a 48-unit “cottage-style” village for low-income older adults, selecting the developer, the EAFish Group.

Despite progress, the Town is still looking for opportunities to further diversify the housing stock and address the range of housing needs. It is also looking for ways to exert greater local control over housing development, and in order to address the affordable housing issue, the Town established the Marion Municipal Affordable Housing Trust in 2006. The mission of the Housing Trust is the creation and preservation of affordable housing in Marion for the benefit of low- and moderate-income households. In achieving this mission that Housing Trust seeks to fulfill the following major goals:

1. Promote a variety of affordable housing options for those with modest means, including young adults, families, long-time residents, older residents, “downsizers”, returning Marion natives, and municipal employees.
2. Preserve the natural, historic, and seaside character of our Town and to nurture our sense of an integrated and diverse community.

This planning effort represents an opportunity for the Town, now through the Housing Trust, to update information in its Housing Plan including housing and demographic data, production goals, and specific strategies for continuing to promote affordable housing over the next five (5) years. This Plan will be approved through updated state Housing Production regulations.<sup>11</sup>

## B. Definition of Affordable Housing

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, the federal government identifies units as affordable if gross rent or costs of purchasing a home (mortgage, property taxes and insurance) are not more than 30% of gross income. If households are paying more than these thresholds, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems or cost burdens.

Affordable housing is also defined according to percentages of median income for the area, as established by the US Department of Housing and Development (HUD), and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. *Extremely low-income* housing is directed to those earning at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$21,600 for a family of three for the Brockton area)<sup>12</sup> and *very low-income* is defined as households earning between 31% and 50% of area median income (\$35,950 for a family of three). *Low-income* generally refers to the range between 51% and 80% of area median income (\$57,500 for a family of three at the 80% level). These income levels are summarized in Table II-1.

Table II-1. 2010 Income Levels for Affordable Housing in the Brockton Area			
# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	\$16,800	\$27,950	\$44,700
2	\$19,200	\$31,950	\$51,100
3	\$21,600	\$35,950	\$57,500
4	\$23,950	\$39,900	\$63,850
5	\$25,900	\$43,100	\$69,000
6	\$27,800	\$46,300	\$74,100
7	\$29,700	\$49,500	\$79,200
8+	\$31,650	\$52,700	\$84,300

2010 Median Household Income for the Brockton PMSA = \$79,800

<sup>11</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03 (4).

<sup>12</sup> The average household size is 2.51 persons in Marion based on the 2000 census, down to 2.47 persons based on 2009 estimates provided by the Nielsen Claritas, Inc. database, a proprietary data source.



In counting a community's progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by state or federal programs that support households earning at or below 80% of area median income under Chapter 774 of the Acts of 1969, which established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). To be included in the Subsidized Housing Inventory (SHI), thus making progress towards the 10% affordability goal, the housing units must also be subject to long-term deed restrictions that limit occupancy to income-eligible households for a specified period of time (at least 30 years or longer for newly created affordable units and at least 15 years for rehabilitated units) and be marketed through the implementation of a state-approved Affirmative Fair Housing Marketing Plan.

In general, programs that subsidize rental units are targeted to households earning within 50% or 60% of median income, often including units for those earning below 30% of the area median. First-time homebuyer programs typically apply income limits of up to 80% of area median income. The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing” units. Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income units for those earning between 80% and 120% of median income, often referred to as “workforce” units, and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 60% level in addition to workforce and/or market rate units.

### III. HOUSING NEEDS ASSESSMENT

#### A. Demographic Characteristics and Trends

##### 1. Population Growth

Marion's population has been growing steadily, at least through 2008. There are, however, some conflicts in data sources concerning how much growth will occur in the future and whether some population loss has already occurred.

In 1960 the population was 2,881, increasing to 3,466 in 1970, a 20% increase. Since 1970 the population continued to grow at a somewhat slower but still steady rate. Table III-1 presents U.S. Census population data from 1980 through 2008 for Marion and its neighbors. Marion's total population was 5,123 according to the 2000 census, an increase of 1,181 residents or 30% since the 1980 census count.<sup>13</sup> The Census Bureau estimates a population of 5,148 residents as of July 1, 2008, suggesting a gain of only 25 residents since 2000. The University of Massachusetts State Data Center estimates that the population was 5,202 in 2008, and Town records indicate a somewhat higher 2008 population count of 5,291, representing increases of 1.5% and 3.3%, respectively.

Table III-1. Population Growth: Marion and its Neighbors, 1980-2008						
Municipality	1980	1990	2000	2008	% Change	% Change
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Estimate</i>	<i>1980-2000</i>	<i>2000-2008</i>
Marion	3,842	4,496	5,123	5,202/ 5,291	33.3%	1.5%/3.3%
Mattapoisett	5,597	5,850	6,268	6,463	12.0%	3.1%
Rochester	3,205	3,921	4,581	5,260	42.9%	14.8%
Wareham	18,457	19,232	20,335	21,221	10.2%	4.4%
Sources: US Census, 1980, 1990, 2000 & T1. 2008 Population from Estimates through the Massachusetts State Data Center at the University of Massachusetts Donahue Institute.						

Since 2008, Town records show a loss of 266 residents, or 5.0%, bringing the total population count down to 5,025. If this is in fact the case, population gains since 2000 have eroded, bringing the total population below the 2000 level. Growth through 2008 had been fairly comparable to Mattapoisett and Wareham, but significantly lower than Rochester. Table III-2 provides population projections computed by the Massachusetts

<sup>13</sup> The 2000 census counted 104 individuals living in group quarters all of whom are recorded as living in nursing facilities or other group quarters. Therefore, students boarding at Tabor Academy are not included as part of Marion's population count.

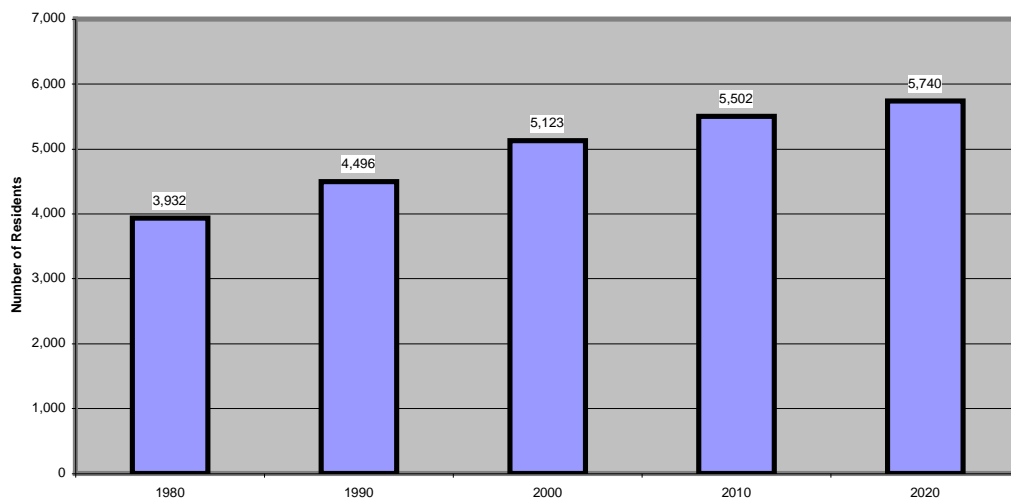
Institute for Social and Economic Research (MISER) that suggest continued growth for Marion, projecting an increase of 617 residents by 2020, over and above the 2000 census count, and by another 449 residents following the 2008 Town census, which may overestimate future growth. These projections may in fact overestimate future growth given recent declines in the number of Marion residents. Projections show Rochester with the greatest predicted amount of growth among neighboring communities with Marion in the middle of the range and Mattapoisett with some population loss.

<b>Table III-2. Projected Population Growth: Marion and its Neighbors, 2000-2020</b>					
<b>Municipality</b>	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>% Change</b>	<b>% Change</b>
	<i>Actual</i>	<i>Projection</i>	<i>Projection</i>	<i>2000-2010</i>	<i>2000-2020</i>
Marion	5,123	5,502	5,740	7.4%	12.0%
Mattapoisett	6,268	6,193	5,979	-1.2%	-4.6%
Rochester	4,581	5,057	5,551	10.4%	21.2%
Wareham	20,335	21,048	22,022	3.5%	8.3%
Sources: US Census, 2000 and projections from the Massachusetts Institute for Social and Economic Research (MISER), 2003.					

The pattern of growth since 1980, including projected figures, is presented in Figure III-1 below, which shows the steady but slower increase in population over time through 2008.

**Figure III-1**

**Marion Actual and Projected Population Growth**



## 2. Age Distribution

Data regarding the changes in the age distribution from 1980 to 2000, based on census data, is provided in Table III-3.

Table III-3: Age Distribution, 1980-2000						
	1980		1990		2000	
	#	%	#	%	#	%
Under 5 Years	218	5.7	270	6.0	297	5.8
5 – 17 Years	931	24.2	972	21.6	988	19.3
18 – 24 Years	227	5.9	437	9.7	213	4.2
25 – 34 Years	494	12.9	478	10.6	487	9.5
35 – 44 Years	632	16.4	712	15.8	780	15.2
45 – 54 Years	366	9.5	504	11.2	871	17.0
55 – 64 Years	419	10.9	443	9.8	580	11.3
65 – 74 Years	328	8.5	442	9.8	442	8.6
75 – 84 Years	191	5.0	185	4.1	333	6.5
85+ Years	36	0.9	53	1.2	132	2.6
Total	3,842	100.0	4,496	100.0	5,123	100.0
Under 18	1,149	29.9	1,242	27.6	1,285	25.1
Age 65+	555	14.4	680	15.1	907	17.7
Source: U.S. Census Bureau, 1980, 1990 and 2000						

The data shows a proportional decline in all age groups under age 45 and increases in the older groups. For example, those children and adolescents under age 18 decreased from about 30% of the population in 1980 to 25% in 2000, while those age 65 and over increased from 14.4% to 17.7% during this same timeframe. Of particular note are those more middle-aged residents age 45 to 54 who increased from 9.5% to 17% of the population, more than doubling in number.

These same population trends are likely extending into the future as indicated in Table III-4. Projections show a continuing decline in the number and percentage of those under 18, down to 16.7% of the population by 2014, while older age groups are likely to increase significantly with those over the age of 65 becoming at least 20% of the population, up from 14.4% in 1980. This aging trend is reflected in increases of the median age, from 42.5 years in 2000 to a projected 46.2 years by 2014.

<b>Table III-4: Age Distribution Estimates and Projections, 2000, 2009 and 2014</b>						
	<b>2000 Actual</b>		<b>2009 Estimates</b>		<b>2014 Projections</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Under 5 Years	297	5.8	285	5.5	293	5.6
5 – 17 Years	988	19.3	890	17.1	586	11.1
18 – 24 Years	213	4.2	425	8.2	461	8.8
25 – 34 Years	487	9.5	419	8.0	573	10.9
35 – 44 Years	780	15.2	575	11.0	400	7.6
45 – 54 Years	871	17.0	844	16.2	741	14.1
55 – 64 Years	580	11.3	796	15.3	896	17.0
65 – 74 Years	442	8.6	480	9.2	574	10.9
75 – 84 Years	333	6.5	340	6.5	336	6.4
85+ Years	132	2.6	148	2.8	172	3.3
<b>Total</b>	<b>5,123</b>	<b>100.0</b>	<b>5,202</b>	<b>100.0</b>	<b>5,264</b>	<b>100.0</b>
Under 18	1,285	25.1	1,175	22.6	879	16.7
Age 65+	907	17.7	968	18.6	1,082	20.6
Median Age	42.5		45.1		46.2	
Source: U.S. Census, 1980, 1990 and 2000; Nielsen Claritas, Inc. datasources, 2009 and for 2014						

Town records as of November 10, 2009, suggest an even smaller number of children under 18 and higher number of older residents in comparison to the 2009 estimates above in Table III-4.

<b>Table III-5: Age Distribution, November 10, 2009</b>		
<b>Age Range</b>	<b>Number of Residents</b>	<b>Percentage of Residents</b>
Less than 5 years	148	3.0
5-17 years	822	16.4
18-59 years	2, 478	49.3
60+ years	1,476	29.4
Unknown birth dates	101	2.0
<b>Total</b>	<b>5,025</b>	<b>100.0</b>
Source: Marion Town Clerk's Office, November 10, 2009.		

Table III-6 offers additional population projections by age category through to 2020, prepared by the Massachusetts Institute for Social and Economic Research (MISER) of the University of Massachusetts. The estimates reinforce trends of a declining population of young residents and growing numbers of older residents. The figures suggest proportional decreases in all age

categories less than 55 years of age with the exception of those 18 to 34 who are projected to increase somewhat, a surprising outcome given the declines of this age group from 1980 through 2000, as noted in Table III-3. The MISER figures do indicate substantial growth of all the older age cohorts, projecting an increase of those age 65 or older from 17.7% of all residents in 2000 to 27.8% by 2020. Clearly housing alternatives to accommodate this increasing population of older adults, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands, should be considered in housing planning efforts.

<b>Table III-6: Age Distribution Projections, 2000, 2010 and 2020</b>						
	<b>2000</b>		<b>2010</b>		<b>2020</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Under 5 Years	297	5.8	247	4.5	253	4.4
5 – 19 Years	1,127	22.0	1,051	19.1	836	14.6
20 – 24 Years	136	2.6	236	4.3	238	4.2
25 – 34 Years	487	9.5	336	6.1	542	9.4
35 – 44 Years	780	15.2	720	13.1	509	8.9
45 – 54 Years	871	17.0	881	16.0	817	14.2
55 – 64 Years	580	11.3	937	17.0	952	16.6
65 – 74 Years	442	8.6	575	10.4	942	16.4
75 – 84 Years	333	6.5	313	5.7	420	7.3
85+ Years	132	2.6	206	3.7	231	4.0
Total	5,123	100.0	5,502	100.0	5,740	100.0
Under 20	1,285	25.1	1,298	23.6	1,089	19.0
Age 65+	907	17.7	1,094	19.9	1,593	27.8
Source: U.S. Census Bureau 2000, Massachusetts Institute for Social and Economic Research, MISER, University of Massachusetts, 2003.						

### **3. Race**

Marion is not racially diverse. In 2000 Marion's racial composition was 93.7% White, 2.7% Black, and the remaining residents of some other race. The number of minorities actually decreased from 1990 to 2000, from 422 to 324 individuals.

### **4. Household Composition**

Marion had a total of 1,996 households in 2000, about 72% in family households and 28% in non-family households (refer to Table III-7). Average household size was 2.5 persons and average family size was 3.0 persons. About one-third of the households included children and another third included residents 65 years of age or older. Most of

the households in Marion, 61.4%, involved married couples without children living with them. Non-family households have increased somewhat from 26.3% of all households in 1980 to 27.8% in 2000.

<b>Table III-7: Household Composition, Town of Marion, 2000</b>		
	<b>Number</b>	<b>Percent</b>
<b>Total Households</b>	<b>1,996</b>	<b>100.0</b>
Family Households	1,442	72.2
<i>Family Households with own children under 18</i>	<i>632</i>	<i>31.7</i>
<i>Married-couple family</i>	<i>1,225</i>	<i>61.4</i>
<i>Married-couple family with own children under 18</i>	<i>528</i>	<i>26.5</i>
<i>Female Householder, no husband present</i>	<i>167</i>	<i>8.4</i>
<i>Female Householder, no husband present w/ own children under 18</i>	<i>83</i>	<i>4.2</i>
Nonfamily Households	554	27.8
<i>Householder living alone</i>	<i>482</i>	<i>24.1</i>
<i>Householder 65 years and over</i>	<i>237</i>	<i>11.9</i>
Households with individuals under 18 years	666	33.4
Households with individuals 65 years and older	601	30.1
Average household size	2.51	
Average family size	3.00	
Source: US Census DP-1, Profile of Demographic Characteristics: 2000		

As shown in Table III-8, the number of households in Marion grew over 25% from 1990 to 2000, the highest growth in the number of households in comparison to its neighbors and the county as a whole

<b>Table III-8: Total Households, Marion and its Neighbors, 1990-2000</b>							
<b>Municipality</b>	<b>Households</b>			<b>% Change</b>	<b>Annual Rate of Growth</b>	<b>Persons per Household</b>	<b>Persons per Household</b>
	1990	2000	Difference	1990- 2000		1990	2000
Marion	1,587	1,996	409	25.8%	2.6%	2.64	2.51
Mattapoisett	2,233	2,532	299	13.4%	1.3%	2.84	2.46
Rochester	1,288	1,575	287	22.3%	2.2%	3.04	2.91
Wareham	7,370	8,200	830	11.3%	1.1%	2.57	2.44
Plymouth County	149,519	168,361	18,842	12.6%	1.3%	2.84	2.74
Source: US Census, DP-1. General Population and Housing Characteristics: 1990 and 2000							

Household size has decreased as well, going from 2.64 to 2.51 persons from 1990 to 2000, largely reflective of declining numbers of children and a greater portion of smaller non-family households.

## 5. Income Distribution

The median household income in 1999 was \$61,250, up 32.6% from the 1989 median income of \$46,189, not adjusted for inflation. Between 1990 and 2000, there were decreases in the numbers of households in all of the income ranges below \$75,000. Those households earning more than \$75,000 increased from about 22% in 1990 to 40% in 2000, and those earning more than \$150,000 grew from 87 to 301 households during the decade. The income distribution for those households that include children – families – is significantly higher with a median family income in 1999 of \$74,265 with 277 families or almost 19% of all families earning more than \$150,000, including 171 earning more than \$200,000.

<b>Table III-9: Household Income Distribution, 2000</b>				
	<b>1990</b>		<b>2000</b>	
<b>Households</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$10,000	116	7.4	64	3.2
\$10,000 to \$14,999	100	6.4	74	3.7
\$15,000 to \$24,999	197	12.6	159	8.0
\$25,000 to \$34,999	189	12.0	170	8.5
\$35,000 to \$49,999	274	17.5	302	15.2
\$50,000 to \$74,999	344	21.9	415	20.9
\$75,000 to \$99,999	127	8.1	262	13.2
\$100,000 to \$149,999	135	8.6	243	12.2
\$150,000 to \$199,999	87	5.5	112	5.6
\$200,000 or more			189	9.5
<b>Total</b>	<b>1,569</b>	<b>100.0</b>	<b>1,990</b>	<b>100.0</b>
<b>Median Household Income</b>	<b>\$46,189</b>		<b>\$61,250</b>	
Source: US Census, Table DP-3, Profile of Selected Economic Characteristics, 1990 and 2000; This data is based on census sample data and totals differ somewhat from final counts.				

Despite increasing household wealth, there still remains a population living in Marion with very limited financial means. Of all households counted in 1999, 64 or 3.2% had incomes of less than \$10,000 and another 233 or about 12% had incomes between \$10,000 and \$24,999. Additionally, based on HUD income information, 437 households, or approximately 22% of all households might have qualified for housing assistance as their incomes were at or below 80% of area median income defined by the



U.S. Department of Housing and Urban Development (HUD) of \$45,200 for a family of three.<sup>14</sup> Since then, based on 2009 estimates from the Nielsen Claritas data base, approximately 789 or 38% of all households had incomes within the 80% income level or \$57,250 for a household of three.

Table III-10 provides 2000 census data that compares the income distribution of homeowners and renters. In addition to being significantly fewer renters, 21% of all households, the median income for renters is about half that of owners. Nevertheless, there are still owners with very limited incomes, approximately 176 or 11% earning less than \$25,000, who are most likely long-term owners on fixed incomes without mortgage payments. Some of these owners are likely to be hard-pressed to pay increasing housing costs related to taxes, insurance and utilities. On the other hand, there are approximately 75 or 18% of all renters, who were earning \$50,000 or more and might have been able to afford a home if prices were not so high.

<b>Table III-10: Household Income Distribution by Tenure, 2000</b>				
	<b>Owners</b>		<b>Renters</b>	
<b>Households</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$10,000	30	1.9	31	7.2
\$10,000 to \$14,999	43	2.7	42	9.8
\$15,000 to \$24,999	103	6.6	53	12.4
\$25,000 to \$34,999	108	6.9	69	16.1
\$35,000 to \$49,999	224	14.3	91	21.3
\$50,000 to \$74,999	333	21.2	67	15.6
\$75,000 to \$99,999	243	15.5	32	7.5
\$100,000 to \$149,999	218	13.9	16	3.7
\$150,000 or more	266	17.0	27	6.3
<b>Total</b>	<b>1,568</b>	<b>100.0</b>	<b>428</b>	<b>100.0</b>
<b>Median Household Income</b>	<b>\$69,662</b>		<b>\$36,159</b>	
Source: US Census, Table DP-3, Profile of Selected Economic Characteristics, 1990 and 2000				

Table III-11 provides additional income information, comparing 2009 estimates and 2014 projections to 2000 census data. This data suggests that the 2009 median household income has increased to \$76,640 and may increase still further to \$85,948 by 2014. Once again, incomes increased in the higher ranges over time, however, there remained a number of households with incomes below \$25,000 including an estimated 211 households or more than 10% of all households in 2009.

<sup>14</sup> While these households' incomes might be at or below 80% of area median income, many are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

<b>Table III-11: Median Household Income, 2000, 2009 and 2014</b>						
	<b>2000 Actual</b>		<b>2009 Estimates</b>		<b>2014 Projections</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Less than \$15,000	138	6.9%	96	4.6%	86	4.1
\$15,000 to \$24,999	159	8.0%	115	5.6%	105	5.0%
\$25,000 to \$34,999	170	8.5%	156	7.6%	136	6.5%
\$35,000 to \$49,999	302	15.2%	284	13.8%	208	9.9%
\$50,000 to \$74,999	415	20.8%	362	17.6%	386	18.4%
\$75,000 to \$99,999	262	13.2%	282	13.7%	298	14.2%
\$100,000 to \$149,999	243	12.2%	361	17.5%	396	18.9%
\$150,000 to \$249,999	176	8.8%	222	10.8%	258	12.3%
\$250,000 to \$499,999	63	3.3%	97	4.7%	124	5.9%
\$500,000 or more	62	3.1%	88	4.3%	106	5.0%
<b>Total</b>	<b>1,990</b>	<b>100.0</b>	<b>2,063</b>	<b>100.0</b>	<b>2,103</b>	<b>100.0</b>
<b>Median Household Income</b>	<b>\$61,250</b>		<b>\$76,640</b>		<b>\$85,948</b>	
Sources: US Census, Table DP-3, Profile of Selected Economic Characteristics, 2000, and Nielsen Claritas, Inc. data source, 2009 and 2014.						

## **6. Employment**

The 2000 census indicated that of the 3,969 residents who were 16 years and older, two-thirds, or 2,649 residents, were in the labor force, 57 or 1.4% of whom were unemployed. The 2008 state labor statistics project an unemployment rate in Marion in September 2009 of 7.6%, with 240 residents unemployed, up substantially from 2000 and even from 2008 when the unemployment rate was 5.7%.

About half or 52.6% of Marion's workers were involved in management or professional occupations and most of the rest were employed in more retail and service oriented jobs including construction and maintenance occupations (7.4%), sales and office occupations (24.2%), service occupations (9.3%) and production, transportation and material moving occupations (7.4%). While 72.3% were salaried workers, another 18.2% were government workers, and 9.5% were self-employed.

Additional information on employment patterns indicated that of those Marion residents who were employed over the age of 16, or 2,554 workers based on census sample data, 657 or about one-quarter worked in the community, indicating some local employment

opportunities. The mean travel time to work was about 27 minutes suggesting that on average workers commuted a fair distance to their jobs, about 90% of whom commuted by car.

<b>Table III-11: Average Employment and Wages By Industry in Marion, 2008</b>				
<b>Industry</b>	<b># Establishments</b>	<b>Total Wages</b>	<b>Average Employment</b>	<b>Average Weekly Wage</b>
Construction	28	\$4,583,546	96	\$918
Manufacturing	8	\$36,755,076	430	\$1,644
Wholesale trade	12	\$3,501,427	42	\$1,603
Retail trade	23	\$2,671,739	130	\$395
Finance & insurance	14	\$8,782,873	62	\$2,724
Real estate, rental and leasing	8	\$871,449	27	\$621
Professional and technical services	20	\$11,595,819	158	\$1,411
Administrative and waste services	13	\$1,129,772	40	\$543
Educational services	8	\$13,028,479	323	\$776
Health care and social assistance	12	\$10,937,225	411	\$512
Arts, entertainment and recreation	9	\$6,611,929	156	\$815
Accommodation and food services	7	\$1,661,882	106	\$302
Other services, Exec., Public administration	35	\$2,798,201	93	\$579
<b>TOTAL</b>	<b>207</b>	<b>\$107,713,362</b>	<b>2,197</b>	<b>\$943</b>
Source: Massachusetts Executive Office of Labor and Workforce Development, 2008				

More recent labor and workforce data, from 2008, is presented in Table III-11, which shows an average employment of 2,197 workers as opposed to a total workforce in 2000 of 2,649. The data indicates that those industries with the most workers included manufacturing (430 workers on average), health care and social assistance (411 workers), as well as educational services (323 workers). The average wages in these industries varied considerably, from \$512 in the health care area to \$1,644 in

manufacturing, for example. There were 207 work establishments that provided a total wage level of \$107.7 million, with average employment of about 2,200 workers and an average weekly wage level of \$943. As a point of comparison, the average weekly wage for Boston was \$1,476.

## 7. Poverty Status

Table III-12 shows poverty data for Marion based on 1979, 1989 and 1999 data from the U.S. Census Bureau.<sup>15</sup> In general poverty has been declining in Marion over the years, going from 7.4% in 1979 to 4.6% in 1999 for individuals and from 5.4% to 3.5% for families. Nevertheless, there were still 232 individuals, including 89 children, who lived in poverty in the Marion community. Given the surge in the cost of living since 1999, including housing costs, it is likely that things have not improved for many of these individuals and families and some have likely left the community in search of more affordable living conditions.

<b>Table III-12: Poverty Status, 1979-1999</b>						
	<b>1979</b>		<b>1989</b>		<b>1999</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Individuals Below Poverty *	285	7.4	228	5.5	232	4.6
Families **	59	5.4	58	5.1	50	3.5
Related Children Under 18 Years ***	143	12.4	38	4.0	89	7.0
Individuals 65 and Over ****	19	3.4	66	10.1	16	2.0
Source: U.S. Census Bureau, 1980, 1990 and 2000 *Percentage of total population for whom poverty status was determined **Percentage of all families for whom poverty status was determined ***Percentage of all related children under 18 years ****Percentage of all individuals age 65 +						

## 8. Disability Status

In total 674 residents or 13% of the population was disabled in 2000, which includes any kind of physical disability. Of the 2000 population age 5 to 20 years old, 95 or 8.5% had some disability. Moreover, of the population age 21 to 64, 386 or 13.6% claimed a

<sup>15</sup> The 2009 federal poverty level from the US Department of Health and Human Services was \$10,850 for an individual and \$18,310 for a three-person household.

disability, but 61.4% of this group were employed leaving almost 40% who were unemployed, likely due to disability. In regard to the population 65 years of age or older, 193 or almost one-quarter claimed some type of disability.

#### **9. Residency in 1995**

About 40% of the households in Marion, or 1,907 persons, moved to a new residence from 1995 to 2000. Of these, 17.9% came from within Plymouth County, 21.6% came from a different county, with 12.8% coming from the same state and about 10% coming from a different state or elsewhere, representing somewhat more mobility than the county as a whole where 36.5% of all households moved during this same time period.

#### **10. Educational Attainment**

In 2000, almost all adults, or 93.7% of those 25 years and older, had a high school diploma or higher, and about half had at least a Bachelor's degree. These levels are significantly higher than the 2000 figures for at least college attainment of 27.7% for Plymouth County and 41% for the Boston region. These figures also represent some improvement in overall educational attainment from 1990 of 86.6% with at least a high school degree and 33.7% with at least a college degree.

Those enrolled in school (nursery through graduate school) totaled 1,297 or 25.3% of the town's population, and those enrolled in nursery school through high school totaled 1,152, 88.8% of those who were enrolled in school and 22.5% of the total population. These figures represent an increase in school enrollment from 1990 when there were 1,215 students, a net gain of 82 students. Since then school enrollments have declined somewhat.

### **B. Housing Characteristics and Trends**

Table III-13 includes a summary of housing characteristics from 1980 through 2000. Out of the 2,439 total housing units in 2000, Marion had 1,996 year-round, occupied units. For calculating the level of affordability a community has based on Chapter 40B, the 2000 year-round occupancy of 2,095 is used based on subtracting seasonal units or second homes from the total unit count. This figure will be updated when the 2010 census becomes available.

Of the occupied, year-round units, 1,570 or 78.7% were owner-occupied and the remaining 426 units or 21.3% were renter-occupied. These figures represent a somewhat higher level of owner-occupancy in 2000 than that of Plymouth County where 75.6% of the units were owner-occupied. Particularly noteworthy is the relatively high level of seasonal units and second homes in Marion, representing 14.1% of all housing units in 2000 but only 4.7% for the county and 3.6% for the state.

In reviewing changes in the housing stock since 1980, a couple of important trends become apparent including:

- **Declining housing growth:** Housing growth has continued in Marion, albeit at a much slower pace, going from a growth rate of 17.9% between 1980 and 1990 to 19.3% from 1990 to 2000. Since 2000, an additional 134 units have been added to the housing stock as of mid-November, 2009, demonstrating a growth rate of 2.6%.
- **Increase in rental units:** While owner-occupied units increased by 423 units or 24.4% between 1980 and 2000, the rental housing stock grew by 114 units or 36.5% during this same time period. In 2000, 317 or almost three-quarters of Marion's rental units were located in single-family homes and thus mostly indistinguishable from owner-occupied units. Since 2000, the Building Department has no information on new rental units that have been built although the planned expansion of Little Neck Village will add another 36 rental units to the housing stock.

**Table III-13: Housing Characteristics, 1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Total # Housing Units	1,735	100.0	2,045	100.0	2,439	100.0
Year-round Occupied Units *	1,459	84.1	1,587	77.6	1,996	81.8
Occupied Owner Units **	1,147	78.6	1,225	77.2	1,570	78.7
Occupied Rental Units **	312	21.4	362	22.8	426	21.3
Total Vacant Units/ Seasonal, Recreational or Occasional Use*	276/269	15.9/15.5	458/398	22.4/19.5	443/344	18.2/14.1
Average House- Hold Size/Owner Occupied Unit	--		2.70 persons		2.58 persons	
Average House- Hold Size/Renter Occupied Unit	--		2.44 persons		2.26 persons	

Source: U.S. Census Bureau, 1980, 1990 and 2000

\* Percentage of total housing units \*\* Percentage of occupied housing units

Note: The state counts 2,095 *year-round* housing units in its calculations under Chapter 40B based on subtracting seasonal units or second homes from the total unit count.

- **Declining proportion of seasonal or occasional units:** The absolute numbers of seasonal units or second homes increased from 269 units in 1980 to 398 in 1990, and then decreased to 344 units in 2000, when 54 such units were likely converted to year-round use. These seasonal units or second homes were almost 20% of all units in 1990, reduced to about 14% by 2000.
- **Decrease in persons per unit:** The average number of persons per unit declined between 1990 and 2000, from 2.70 to 2.58 persons for owner-occupied units and from 2.44 to 2.26 persons for rental units. This decrease reflects local, regional and national trends towards smaller household sizes and relates to the change in the average household size in Marion from 2.64 persons in 1990 to 2.51 in 2000 and estimated to have decreased to 2.47 persons by 2009.
- **Low vacancy rates:** The homeowner vacancy rate in 2000 was only 1.1%, down somewhat from 2.7% in 1990. The rental vacancy rate also declined from 2.9% to 2.7%. The change in both the homeowner and rental rates are relatively insignificant as any level below 5% is considered to represent tight market conditions.

Table III-14: Vacancy Rates by Tenure, 1990 and 2000				
	1990	2000	MA 2000	Nation
Rental	2.9%	2.7%	3.5%	5%
Homeowner	2.0%	1.1%	0.7%	3%
Source: U.S. Census Bureau, 1990 and 2000				

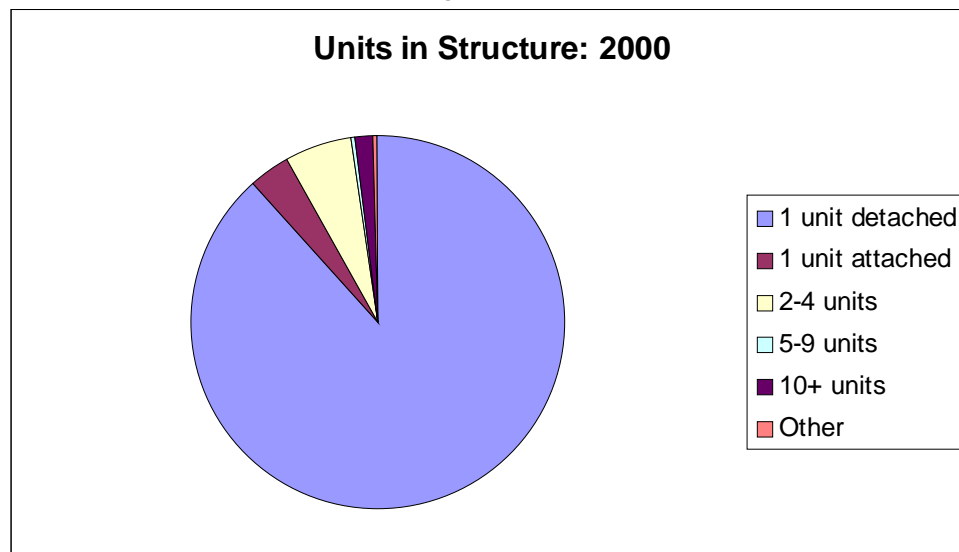
- **Single-family units are predominant:** The 2000 census indicated that a great majority of the existing housing stock were in single-family, detached structures totaling 2,154 units or 88.3% of Marion's housing units, significantly higher than the 70% level for the county. There was actually an increase 273 such units between 1990 and 2000, while only 394 units were added to the housing stock suggesting that about 70% of the units created were single-family, detached dwellings. All other dwelling types had some modest increases with the exception of five to nine-unit structures and mobile homes that experienced decreases. Table III-15 summarizes this information.

Table III-15: Units in Structure, 1990 – 2000

Type of Structure	1990		2000	
	Number	Percent	Number	Percent
1 Unit Detached	1,881	92.0	2,154	88.3
1 Unit Attached	18	0.9	87	3.6
2 to 4 Units	96	4.7	144	5.9
5 to 9 Units	16	0.8	5	0.2
10 or More Units	4	0.2	43	1.7
Other*	30	1.5	6	0.2
Total	2,045	100.0	2,439	100.0

Source: U.S. Census Bureau, 1990 and 2000 \* Mobile homes, boats, RV's, etc.

Figure III-2



- **Most rentals in single-family homes:** The 2000 census indicated that 317 units or almost three-quarters of all rental units were located in single-family detached or attached dwellings. Another 63 units were in two to four-unit structures. The remaining 48 units were in larger multi-family buildings of five (5) or more units, which were directed primarily to single-person households.



Table III-16: Units in Structure by Household Size						
Type of Structure	Single Persons	2-person Household	3-person Household	4-person Household	5+ person Household	Total
Single-family	122	77	40	56	22	317
2-4 Units	50	13	0	0	0	63
5-19 Units	11	0	0	0	0	11
20-49 Units	17	13	0	0	0	30
50+ Units	7	0	0	0	0	7
Total	207	103	40	56	22	428
Source: U.S. Census Bureau, 2000						

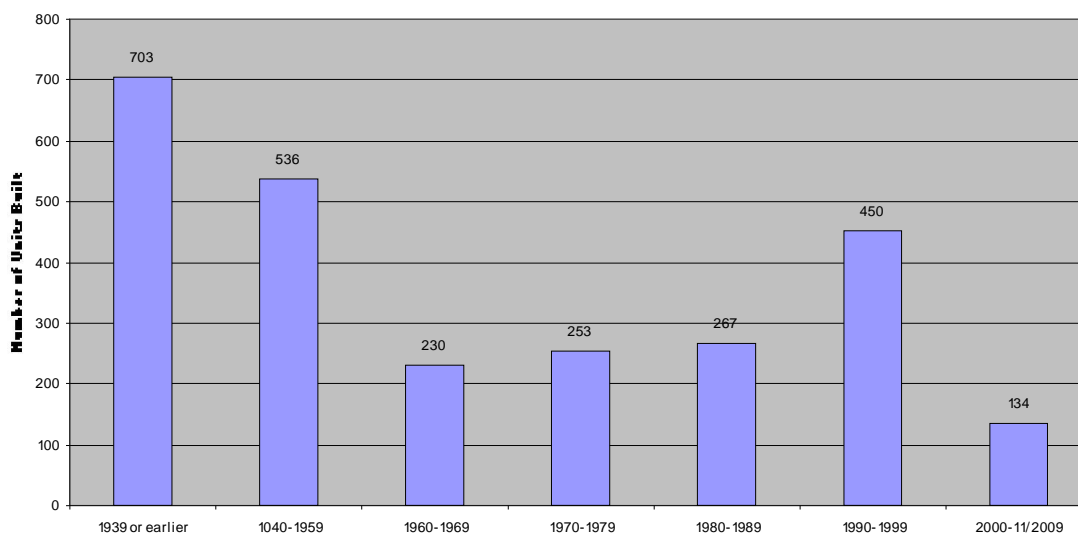
- **Older housing stock:** Table III-17 and Figure III-3 chart housing growth, identifying that half of Marion's housing was built prior to 1960. Since that time development has slowed considerably. Even since 2000 only 134 new units have been built through mid-November 2009. Assuming 200 new units are ultimately built between 2000 and the end of the decade, this level of housing growth would be less than half of what occurred during the 1990s.

It is important to note, however, that there has been a considerable amount of building activity based on home renovations as owners have updated the aging housing stock and built additions to existing structures.

Table III-17: Year Structure Built, 2000		
Time Period	Number	Percent
1999 to March 2000	62	2.5
1995 to 1998	243	10.0
1990 to 1994	145	5.9
1980 to 1989	267	10.9
1970 to 1979	253	10.4
1960 to 1969	230	9.4
1940 to 1959	536	22.0
1939 or earlier	703	28.8
Total	2,439	100.0
Source: U.S. Census Bureau, 2000		

Figure III-3

Housing Growth



Since 2000 and through November 13, 2009, another 134 units have been added to Marion's housing stock as shown in Table III-18. This puts the total number of housing units at 2,573. Table III-18 also shows the slowdown in new home building over the past few years, as the average number of new units was 22.2 from 2000 to 2004 and then only 4.6 for the rest of the decade. Assuming a similar level of growth until the next census count, Marion is likely to have a total housing stock that of almost 2,600 units.

Table III-18: Building Permit Activity, 2000-November 13, 2009

Year	Number of Building Permits/New Residential Units
2000	28
2001	27
2002	14
2003	15
2004	27
2005	11
2006	7
2007	2
2008	2
Through November 13, 2009	1
Total	134
Average Number of Units/2000-2004	22.2
Average Number of Units/2005-11/2009	4.6
Source: Marion Building Department, November 13, 2009	

*Marion 2015*, the Town's Ten-Year Plan, projects a final build-out at 4,657 lots as summarized in Table III-19, projecting that more than three-quarters of this activity would be residential, involving 3,943 housing units at build-out, 1,429 units beyond the 2,315 existing number of units in 2006. However, the 2000 census counted 2,439 units and with the added units from 2000 through 2006 of 129 units, the existing units should have been 2,568 instead. If the 3,943 build-out total holds, the gap was about 1,375 units as of the end of 2006, 1,370 as of November 2009. These projections were also based on the existing zoning and are therefore subject to modification over time.

The state's Office of Environmental Affairs prepared build-out projections as well in 1999 that suggest a higher number of units at build-out, 2,428 units over and above the number of units in 1990 of 2,045 units for a total of 4,473 units, once again based on remaining developable properties and existing zoning at the time. The existing gap would then be 1,900 units based on the total number of units as of November 13, 2009 of 2,573 units.

<b>Table III-19: Build-Out Analysis, 2006</b>			
<b>Zoning District</b>	<b>Existing/2006</b>	<b>Final Build-Out</b>	<b>Growth</b>
Residence A	247	363	116
Residence B	550	697	147
Residence C	928	1,307	379
Residence D	564	1,542	978
Residence E	26	34	8
General Business	94	275	181
Marine Business	32	88	56
Limited Business	58	114	56
Limited Industrial	15	237	222
Total	2,514	4,657	2,143
Source: <i>Marion 2015</i> ; prepared by the Center for Urban Policy Analysis, University of Massachusetts Dartmouth, April 2006.			

## C. Housing Market Conditions

### 1. Homeownership

Census data also provides information on housing values as of March 2000. The census indicated that the 2000 median house value was \$229,100, up about 14% from the median in 1990 of \$201,800 and up 214% from the average single-family unit of \$72,881 in 1980. In 2000, only 309 homes were valued at less than \$150,000 and another 307 were valued between \$150,000 and \$199,999, making up the bulk of the more affordable housing stock. Another 358 homes were priced in the \$200,000 to \$300,000 range and 472 additional homes were valued above that. These housing values are summarized in Table III-20.

Table III-20: Housing Values, 2000		
Value	Number of Units	Percent of Units
Less than \$50,000	7	0.5
\$50,000 to \$99,999	90	6.2
\$100,000 to \$149,999	212	14.7
\$150,000 to \$199,999	307	21.2
\$200,000 to \$299,999	358	24.8
\$300,000 to \$499,999	306	21.2
\$500,000 to \$999,999	134	9.3
\$1 million or more	32	2.2
Total	1,446	100.0
Median (dollars)	\$229,100	
Source: 2000 U.S. Census Bureau; data is based on survey data not final totals		

More updated market data for all sales that are listed on the market is tracked by The Warren Group from Multiple Listing Service data based on actual sales. This market information is summarized in Table III-21, tracking median sales prices for Marion from 1987 through September 2009. The median price is the midpoint of a range of values for a given time period with half of the homes selling above the median price and half below. This data includes all properties that are listed on the housing market including newly constructed units. While the data does not include private sales or renovation work, it does provide important insights into the dynamics of the housing market, including most sales transactions.

As of September 2009, the median sales price of a single-family home in Marion was \$369,900, down from \$441,500 at the end of 2008, a 19% decrease. The median decreased somewhat after that, down to \$350,250 by August 2010, and then back up to \$369,000 in October 2010. The median single-family house price was at its highest in 2004 when it was \$554,500, considerably higher than 1995 when it was at its lowest level at \$149,950. In fact, the period of 2003 to 2004 experienced the sharpest increase in residential values with the median single-family house price jumping from \$300,000 to the \$554,500 level, an 85% increase.

The number of single-family home sales from January through September 2009, was 49, higher than the total number of sales in 2008 of 44. The greatest number of such sales in any particular year was in 1996 with 107 sales. There has been a considerable downward turn in sales volume since then, although 2009 sales activity passed the 63-unit level that occurred in 2007.

The condominium market in Marion is very small, only ten (10) units according to Town Assessors data, and there have not been any sales since 2006 when there were five (5) sales with a median price of \$159,500, which seems low given current assessed values of at least \$341,800, ranging up to \$628,800.

Table III-21: Median Sales Prices, January 1987 – August 2010					
Year	Months	Single-family (#)	Condo (#)	All Sales	# All Sales
2010	Jan – Oct	\$369,000 (54)	0	\$330,000	65
2009	Jan – Dec	337,000 (68)	0	305,000	83
2008	Jan – Dec	440,000 (45)	0	437,500	60
2007	Jan – Dec	380,000 (63)	0	375,000	76
2006	Jan – Dec	446,500 (52)	\$159,500(5)	440,000	77
2005	Jan – Dec	445,000 (62)	0	411,325	109
2004	Jan – Dec	554,500 (80)	0	518,750	104
2003	Jan – Dec	300,000 (74)	197,500 (4)	295,000	101
2002	Jan – Dec	293,250 (78)	225,500 (4)	275,000	125
2001	Jan – Dec	275,250 (72)	0	225,000	111
2000	Jan – Dec	270,500 (86)	0	270,500	122
1999	Jan – Dec	234,000 (99)	0	220,000	127
1998	Jan – Dec	246,500 (93)	0	189,900	118
1997	Jan – Dec	165,000 (83)	72,500 (3)	160,000	111
1996	Jan – Dec	153,800 (107)	0	150,511	140
1995	Jan – Dec	149,950 (98)	0	141,000	127
1994	Jan – Dec	175,000 (65)	0	165,000	89
1993	Jan – Dec	165,000 (65)	0	159,296	90
1992	Jan – Dec	167,450 (44)	0	136,250	68
1991	Jan – Dec	175,000 (59)	0	166,000	77
1990	Jan – Dec	207,000 (51)	0	170,000	75
1989	Jan – Dec	223,000 (41)	0	210,000	65
1988	Jan – Dec	203,504 (58)	108,500 (7)	152,000	109
1987	Jan – Dec	205,000 (51)	96,500 (5)	167,500	111
Source: The Warren Group, December 1, 2010					

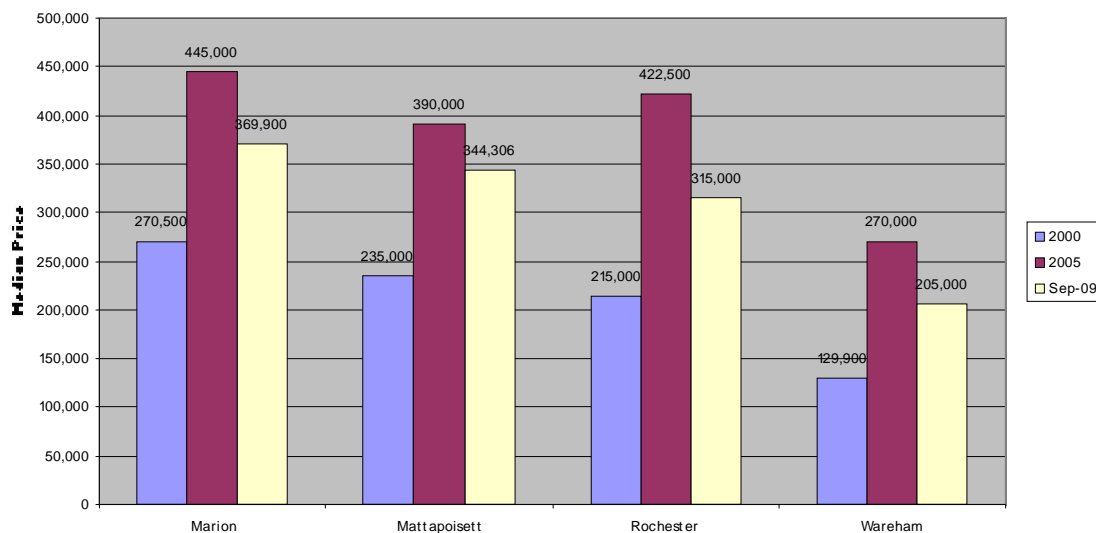
As of mid-2010, Marion, as well as the entire region, was entrenched in a “buyer’s market”. The first half of 2010 had in fact been a continuation since 2008. A local realtor indicated that sales activity has been “picking up” and there has been more action in the fall of 2009 as buyers were recognizing “good buys” and deciding it was a good time to finally purchase. The realtor suggested that there were more homes on the market than ever before, and properties in the lower or higher ranges of the market

were doing better than those in the mid-range of \$500,000 to \$700,000 were tougher to sell as too many were on the market at one time. She further stated that there was not a lot of foreclosure activity as well as teardown activity in Marion as of yet. Another local realtor confirmed that homes priced in the mid-range were moving more slowly. Properties in the lower range were being purchased using the \$8,000 federal tax credit for first-time homebuyers that was available through April 2010. Properties in the high range, above \$1 million, were beginning to sell as purchasers decided that they could finally get a good deal on waterfront properties given declines in market values over the last year or so.

A comparison of Marion's housing values to those of its neighbors is presented in Figure III-4, comparing 2000, 2005 and September 2009 sales prices. Between 2000 and 2005, values climbed considerably across all communities, especially for Rochester and Wareham where prices doubled. From 2005 to September 2009, prices have fallen somewhat but remain well ahead of the 2000 levels. The chart also shows that Marion has had the highest median values throughout these periods while Wareham's housing market has been on the lower range. A local realtor suggested that Marion and Mattapoisett's housing markets have been fairly comparable over the years as they are both small towns on the water.

**Figure III-4**

**Change in Median Single-family Home Values**



Another analysis of housing market data is presented in Table III-22, which includes a breakdown of sales data from the Multiple Listing Service for single-family homes. This data indicates that there are few homes available in Marion for under \$200,000 that would be affordable to low- and moderate-income households. There were 16 sales priced between \$200,000 and \$300,000 that could have possibly been affordable to

first-time homebuyers, assuming they had the required cash for the down payment and closing costs. In mid-November 2009, there were 55 properties on the market, 16 which were priced below \$300,000 and thus in the range of possible affordability. The median sales price was \$350,000, and the average time on the market of 256.4 days demonstrates that the market has been sluggish.

<b>Table III-22: Summary of Sales for Single-Family Homes*, January 2009 Through November 16, 2009</b>	
<b>Price Range</b>	<b>Sold Number/Percent</b>
Less than \$100,000	1/1.8%
\$100,000-199,999	6/10.9%
\$200,000-299,999	16/29.1%
\$300,000-399,999	8/14.6%
\$400,000-499,999	9/16.4%
\$500,000-599,999	6/10.9%
\$600,000-699,999	5/9.1%
\$700,000-799,999	2/3.6%
\$800,000-899,999	1/1.8%
\$900,000-999,999	0/0.0
Over \$1 million	1/1.8%
<b>Total</b>	<b>55/100.0</b>
<b>Median Price</b>	<b>\$350,000</b>
<b>Ave # Days on Market</b>	<b>256.4 days</b>
Source: Multiple Listing Service, November 16, 2009	

Examples of relatively recent sales include:

- A 1,200 square foot, single-family ranch on Delano Road with three bedrooms and one bath sold for \$282,500 after being listed for \$289,900, on the market for 15 days. The lot is .35 acres and there is no garage.
- A single-family home with three bedrooms and 2½ baths on County Road sold for \$383,500 after being listed for \$399,900. It has 2,102 square feet of living space, on a two-acre lot. The property was on the market for 176 days.
- A single-family attached unit on Jenney Lane listed for \$549,000 and sold for \$515,000 after more than a year on the market. The property has 2,780 square feet of living space, including three bedrooms and 2½ baths, with a first-floor master suite. There is a homeowner association fee of \$1,800.
- A South Street five-bedroom home with 3½ baths was listed for \$1,895,000 and sold after 17 days on the market for \$1,675,000. The property involves a newly renovated historic home with 3,215 square feet of space and a .47-acre lot.

Information from the Town Assessor on the assessed values of residential property in Marion is presented in Table III-23. This data indicates that 4.4% of Marion's housing stock (101 properties) is valued at less than \$200,000, but most of the units in this price range are likely small, "fixer-uppers". Another 22.6% of the housing stock is valued between \$200,000 and \$300,000, still relatively affordable given the price surges several years ago. Almost one-fifth of the housing stock is assessed between \$300,000 and \$400,000, and in fact about 45% of all properties in Marion are assessed below \$400,000, including 1,046 properties. On the other hand, 289 units are assessed above \$1 million, demonstrating a significant if not large luxury market in Marion. Most of these high-end properties were located on the water, the highest valued at approximately \$5 million. This data also confirms that most properties are *single-family properties*, 2,200 as of November 13, 2009, or 95% of all residential properties in Marion.

There are only ten (10) *condominiums* in Marion, eight (8) units at 25 Main Street and two (2) units at 154 Front Street. The values of these units ranged from \$341,800 to \$628,800, still relatively pricey. A realtor mentioned that the condos were particularly attractive to residents who were spending considerable time in Florida but wanted to continue to live in town part-time, downsizing from their large homes.

Assessor's data also indicated that there were 107 *multi-unit properties*, including 28 two-family properties, three (3) three-family structures, 72 properties with multiple homes on one lot, as well as three (3) four to eight-unit properties and one building with more than eight (8) units. Values ranged considerably, from two (2) units assessed at less than \$200,000 to about one-third of the properties, including 34 properties with multiple houses on the same lot, valued at more than \$1 million.



**Table III-23: Assessed Values of Residential Properties, November 2009**

Assessment	Single-family Dwellings		Condominiums		Multi-unit Dwellings*		Total	
	#	%	#	%	#*	%**	#	%
0-\$199,999	99	4.5	0	0.0	2	1.9	101	4.4
\$200,000-299,999	511	23.2	2	20.0	10	9.4	523	22.6
\$300,000-399,999	403	18.3	4	40.0	15	14.0	422	18.2
\$400,000-499,999	329	15.0	2	20.0	12	11.2	343	14.8
\$500,000-599,999	285	13.0	2	20.0	12	11.2	299	12.9
\$600,000-699,999	145	6.6	0	0.0	10	9.4	155	6.7
\$700,000-799,999	89	4.0	0	0.0	5	4.7	94	4.1
\$800,000-899,999	53	2.4	0	0.0	5	4.7	58	2.5
\$900,000-999,999	32	1.4	0	0.0	1	0.9	33	1.4
Over \$1 million	254	11.6	0	0.0	35	32.7	289	12.5
Total	2,200	100.0	10	100.0	107	100.0	2,317 properties	100.0

Source: Marion Town Assessor, fiscal year 2009.

\* Includes multiple dwellings on one lot/two-family, three-family, 4-8 unit structures, and one with more than 8 units.

## 2. **Rental Housing**

Data on the costs of rental units for 1980 through 2000 is included in Table III-24. The 2000 census indicated that there were 426 occupied rental units in Marion, up from 362 in 1990 and 312 in 1980. The 2000 median gross rental was \$804, 13% higher than the 1990 median rent of \$711 and 132% higher than the median rent in 1980 of \$346. Rental units remain a relatively small segment of Marion's housing market, 17.5%, smaller than that for Plymouth County and the state at 24.4% and 38.3%, respectively. Because 83 units of Marion's Subsidized Housing Inventory are rental units, about 20% of the Town's existing occupied rental stock is publicly assisted and as such has restricted below market rents, thus skewing gross rental figures somewhat.

Most of the other rental units are in single-family homes or small multi-family properties.

Table III-24: Rental Costs, 1980-2000						
Monthly Rent	1980		1990		2000	
	Number	Percent	Number	Percent	Number	Percent
Under \$200	39	12.9	0	0.0	29	6.9
200-299	71	23.5	9	2.3	28	6.7
300-499	127	42.0	95	24.6	6	1.4
500-749	20	6.6	85	22.0	72	17.1
750-999			51	13.2	74	17.6
1,000-1,499			75	19.4	84	20.0
1,500 +					6	1.4
No cash rent	45	14.9	71	18.4	121	28.8
Total	302	100.0	386	100.0	420	100.0
Median rent	\$346		\$711		\$804	
Source: U.S. Census Bureau, 1980, 1990 and 2000 (Summary Table 3 – sample data)						

Like housing values for homeownership units, rental values tend to be underestimated in the census data and actual market rents are typically much higher. Updated information on rents from Craig's List indicates that there are no two-bedroom apartments listed for less than \$1,000 per month although most rental opportunities are likely passed on by word of mouth and not formally advertised. Examples from recent listings offer a good perspective of the rental market including:

- \$825 for a one-bedroom unit with a recently renovated bathroom at Marion Village (see photo below) for a winter rental, \$975 for year-round.
- \$900 for a one-bedroom, one bath apartment attached to a single-family home with a private entrance and a short walk to the harbor and short bike ride to the Town beach.
- \$1,000 for a two-bedroom unit in a newly renovated housing with an open floor plan for the kitchen and living area.
- \$1,200 for a three-bedroom year-round home with updated kitchen, hardwood floors and laundry facilities.
- \$1,300 for a two-bedroom in a "cozy home" near the ocean that includes a farmers porch and spiral stairway to the bedroom (photo shows a small cottage).
- \$1,500 for a two-bedroom with 1½ baths that also includes a full basement, huge yard and hardwood floors throughout.

A local realtor indicated that an average year-round, two-bedroom rental located outside of the village is about \$1,000, but that same unit could command \$1,000 a week in the summer. Typically tenants are required to pay utilities as well as a first and last months rent plus a security deposit when they sign the lease. Winter rentals used to be more popular in the past, particularly for faculty at Tabor Academy. However, given the school's efforts to provide faculty housing, the demand for such rentals in the private housing market has dwindled. The realtor further suggested that summer rentals are usually available for at least two-week periods at about \$2,000 to \$2,200 per week with some large homes on the water renting for as high as \$5,000 per week.

## **D. Affordability Analysis of Existing Market Conditions**

### **1. Homeownership**

As housing prices change, the affordability gap also changes, defined as the gap between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of a single-family home in Marion of \$369,900, based on The Warren Group information as of the end of September 2009, a household would have to earn approximately \$78,400<sup>16</sup> (\$94,500 with 95% financing), somewhat more than the adjusted median income of \$76,640.<sup>17</sup> Almost a year later, as of August 2010, the median fell to \$350,250, reducing the affordability gap somewhat. It is important to note that in response to the financial crisis, lenders are exerting more stringent lending criteria, including substantial down payment requirements of 20%. It is also important to point out that the gap would have been considerably larger only a couple of years ago when housing prices and interest rates were significantly higher.

The borrowing power of the average household, based on the 2009 adjusted median household income of \$76,640, was about \$360,000 (based on a 20% down payment, \$300,000 based on a 5% down payment), substantially higher than the median house value as reported in the 2000 census of \$229,100, not significantly less than the \$369,900 median sales prices for single-family homes as of September 2009, and more than the median of \$350,250 as of August 2010. These figures suggest little or no affordability gap – the difference between the price of the median priced home and what a median income household can afford, but they assume that the purchaser has at least \$75,000 in cash for the down payment and closing costs. In fact, given this cash burden, particularly for first-time homebuyers without equity from a former purchase, the down payment can be considered as part of the affordability gap. Updated income

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<sup>16</sup> Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$7.87 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, and estimated monthly condo fees of \$300.

<sup>17</sup> Based on the Nielsen Claritas, Inc. (a proprietary data source) 2009 estimate of median income for Marion.

estimates suggest that at least half of Marion households could not afford the median priced home based on an income of about \$78,400 and the ability to come up with the 20% down payment, 60% if 95% financing was available requiring an income of about \$94,500.

The affordability gap increases to \$120,250 if the analysis focuses on those households earning at or below 80% of area median income, or \$57,500 for a family of three, who are unable to afford a house costing more than about \$230,000 based on conventional lending terms and also assuming they could access 95% financing from a state subsidized mortgage program (such as the Soft Second Loan Program or MassHousing's Community Advantage program). Clearly subsidies are required to provide homeownership opportunities for those with incomes at or below 80% of area median income, a requirement of housing affordability under Chapter 40B.<sup>18</sup>

As more homes emerge on the market with sale tags of more than \$300,000, fewer existing longer-term residents will be able to afford them. However, it is important to recognize that those who have owned their homes for some time are likely to have gained significant assets, particularly through the escalating value of their land, despite potentially limited incomes.

## **2. Rentals**

In regard to rentals, the gross median rent of \$804, according to the 2000 census, required an income of about \$36,000, also factoring costs of utilities, well within HUD's income limit for three-person households earning at 80% of area median income. Nevertheless, based on 2009 income estimates from the Nielsen Claritas data source, about 20% of Marion's households would have been unable to afford to rent at this level based on the standard of spending no more than 30% of one's income on housing. Local real estate listings indicate that market rents are actually higher with no two-bedroom units on the market for less than \$1,000, requiring an income of about \$40,000 based on a household spending no more than 30% of its income on just the rent. When considering additional housing-related expenses such as utilities, the required income goes up still further for the unit to meet the 30% of income test. To put these rentals into another context, someone earning the minimum wage of \$8.00 for 40 hours per week and every week during the year would still only earn a gross income of \$16,640. Households with two persons earning the minimum wage would still fall very short of the income that is required to support rents at the lowest end of Marion's rental market.

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<sup>18</sup> The maximum income a three-member household would be eligible to earn within the Chapter 40B affordability parameters is \$57,250 in 2009.

### 3. Cost Burdens

While current income estimates suggest that at least half of town residents are unlikely to have sufficient incomes to afford the median sales price for a single-family home, and about 20% of households would be unable to afford the 2000 median rental at \$804 per month, which is lower than current market rents, it is also useful to identify numbers of residents who are living beyond their means due to the extent of their housing costs. The 2000 census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems.

Households paying more than 30% of their incomes for housing are defined by HUD as being cost burdened, and when paying more than 50% of their incomes they are said to be severely cost burdened. Table III-25 shows 1990 and 2000 U.S. Census data for housing burdens for Marion. Over 2,100 housing units had mortgages in 2000 and the median mortgage was \$1,282 per month. There were 443 homeowners who were spending at least 35% of their household income on housing expenses. For renters, the median gross monthly rent in 2000 was \$804 per month and there were 90 households who were spending at least 35% of their income on housing. It is worth noting that the total number of renters who had cost burdens decreased in 2000 from the 1990 levels, but the reverse was the case for homeownership.

Table III-25: Housing Burdens, Town of Marion, 1990 and 2000				
	1990	2000	Change	% Change
# Owners with Mortgage, # Units	608	1,064	+456	+75%
Monthly Cost of Mortgage (Median)	\$972	\$1,364	+\$392	+40%
# Owners with Housing Costs $\geq$ 35% of Household Income	132 (22%)	303 (28%)	+171	+130%
# Renters with Rental Payments	315	299	-16	-5%
Renter Gross Monthly Rent (Median)	\$711	\$804	+\$93	+13%
Gross Rent $\geq$ 35% of Household Income	102 (32%)	90 (30%)	-12	-12%
Source: US Census, 1990 and 2000				

The U.S. Department of Housing and Urban Development (HUD) prepares a special report, referred to as the CHAS Data Report, which identifies cost burdens by household type and whether they are renters or owners. This report, summarized in Table III-26, indicated the following:

Table III-26: Type of Households by Income Category and Cost Burdens*, 2000 2000					
Type of Household	Households Earning < 30% MFI/# with cost burdens	Households Earning > 30% But < 50% MFI/# with cost burdens	Households Earning > 50% But < 80% MFI/# with cost burdens	Households Earning > 80% MFI/# with cost burdens	Total/# with cost burdens
Older Adult Renters	20/0	12/8	35/0	53/8	120/16
Small Family Renters	29/25	0/0	19/4	74/4	122/33
Large Family Renters	0/0	0/0	14/0	4/0	18/0
Other Renters	8/4	8/8	45/20	79/15	140/47
<b>Total Renters</b>	<b>57/29</b>	<b>20/16</b>	<b>113/24</b>	<b>210/27</b>	<b>400/96</b>
Older Adult Owners	18/14	45/27	72/34	358/43	493/118
Small Family Owners	0/0	24/14	32/28	660/80	716/122
Large Family Owners	8/8	4/4	28/24	112/4	152/40
Other Owners	4/4	0/0	12/4	125/45	141/53
<b>Total Owners</b>	<b>30/26</b>	<b>73/45</b>	<b>144/90</b>	<b>1,255/172</b>	<b>1,502/333</b>
<b>Total</b>	<b>87/55</b>	<b>93/61</b>	<b>257/114</b>	<b>1,465/199</b>	<b>1,902/429</b>
<p>Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2000.</p> <p>MFI indicates median family income.</p> <p>* Cost burdens indicate that households are spending more than 30% of their income on housing. The CHAS data also provides data on those spending more than 50% of earnings on housing.</p>					

- In 2000, 429 or about 23% of all households were spending too much on housing (spending more than 30% of their income on housing), including 96 renters and 333 owners.
- There were 190 renter households and 247 owner households earning at or

below 80% of area median income in 2000 for a total of 437 households or about 23% of all households. Consequently, based on this income information, more than 20% of Marion's households would likely have qualified for housing assistance in 2000 as their incomes were at or below 80% of area median income, defined by the U.S. Department of Housing and Urban Development (HUD) as \$50,200 for a family of four.<sup>19</sup>

- There were 87 total households who earned at the extremely low-income end of the range of at or below 30% of area median income, another 93 earning between 30% and 50% of area median income, referred to as very-low income by HUD, and another 252 households who earned between 50% and 80% of area median. Of these households, 230 or 53% were experiencing cost burdens.
- Of the 400 renters, 96 or 24% were spending more than 30% of their incomes on housing expenses, and 43 or 11% of all renters spent more than 50% of their income on housing.
- About 63% of all households earning at or below 30% of area median income were spending more than 50% of their incomes on housing, involving 87 households whether they be owners or renters.
- Of the 93 households earning between 30% and 50% of area median income, about one-third or 30 households (including 26 owners and 4 renters) were spending more than 50% of their income on housing.
- Almost two-thirds or 161 of the 247 owners earning at or below 80% of area median income were spending too much on housing.
- Of the 190 renters earning at or below 80% of area median income, 69 or 36% were experiencing housing affordability problems or cost burdens\*.
- Almost 40% or 135 older adults over age 65 who owned their own homes and were earning at or below 80% of area median income were spending more than 50% of their income on housing.

Because housing costs have significantly escalated since 2000, it is likely that many of these households, who are not living in assisted housing, are experiencing even greater cost burdens or have been forced to move outside of the community in search of more affordable living conditions.

## **E. Subsidized Housing Inventory (SHI)**

### **I. Current Inventory**

The Department of Housing and Community Development counts 90 units in Marion that meet affordability requirements under Chapter 40B and are eligible for inclusion in the Subsidized Housing Inventory. Chapter 40B mandates that the town should have

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<sup>19</sup> While these households' incomes might be at or below 80% of area median income, many households were likely to have assets that were more than the allowable state or federal standards that would disqualify them from housing assistance.

10% of its year-round housing stock as affordable housing which would total 210 units out of its 2,095 year-round housing units (2000 US Census)<sup>20</sup>. With a current inventory of 90 (4.30%) affordable housing units, Marion currently has a deficit of 120 affordable units.

Table III-27 and Figure III-5 compare Marion's level of SHI housing to those of neighboring towns, demonstrating that Marion's progress at 4.30% affordability is in the middle of the range, between Rochester at 0.5% and Wareham at 8.1%.

<b>Table III-27: Level of Affordable Housing, Marion and Neighboring Communities</b>			
<b>Town</b>	<b># Year-round units</b>	<b># Affordable Units</b>	<b>% Affordable Units</b>
Marion	2,095	90	4.30%
Mattapoisett	2,634	70	2.7%
Rochester	1,619	8	0.5%
Wareham	8,650	701	8.1%
Source: Massachusetts Department of Housing and Community Development, September 29, 2009			

**Figure III-5**

**Level of Affordable Housing**

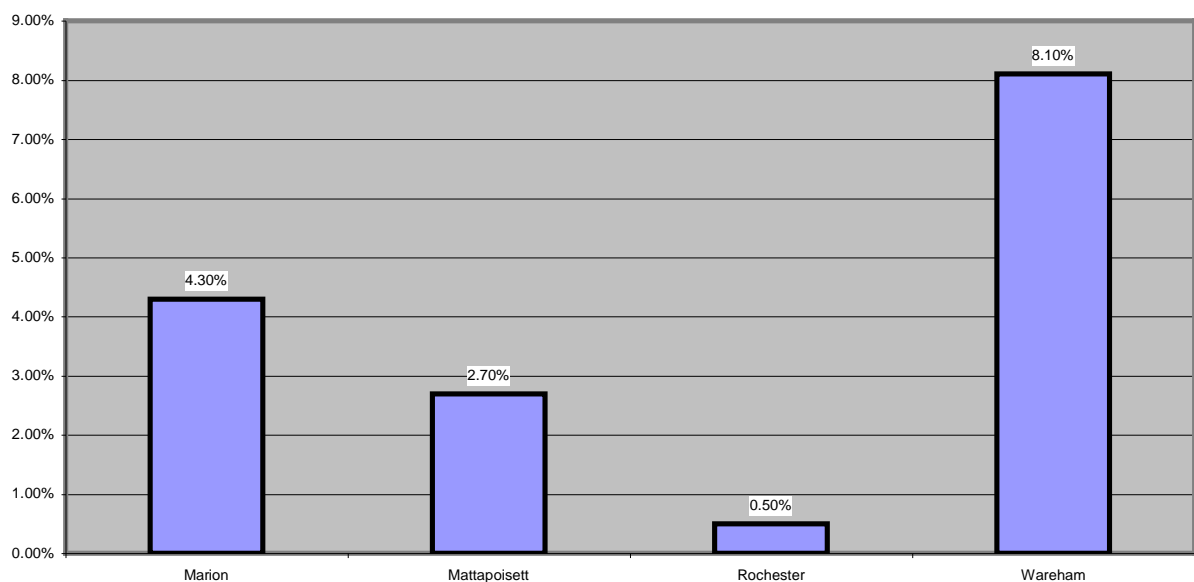


Table III-28 summarizes Marion's existing Subsidized Housing Inventory. Until fairly recently, the SHI included 47 units (2.2% of the year-round housing stock) through several

<sup>20</sup> Figure calculated by subtracting seasonal units and second homes from the total unit count.



developments: 27 rental units for older adults at Marconi Village, four (4) units at a group home for DMH clients, another group home for DMR clients, 12 rental units at Little Neck Village, and four (4) units at the River View Landing homeownership development that was approved through a comprehensive permit<sup>21</sup>.

<b>Table III-28: Department of Housing and Community Development Chapter 40B Subsidized Housing Inventory (SHI)</b>					
<b>Property Name &amp; Address</b>	<b>Housing Type</b>	<b>Total Units</b>	<b>Afford. Expires</b>	<b>Comprehensive Permit</b>	<b>Subsidizing Agency</b>
Corp. Independent Living	Special Needs Rental	4	2025	No	MassHousing EOHHS
Marconi Village Marion Elderly Apartments	Senior Rental	27	2044	No	RHS/DHCD
Littleneck Village	Senior Rental	48	Perpetuity	Yes	DHCD
DMR Group Homes	Special Needs Rental	4	NA	No	DMR
Rezendes Terrace	Ownership	1	2020	No	DHCD
Mill Street	Ownership	1	2020	No	DHCD
Wareham Road	Ownership	1	2020	No	DHCD
River View Landing	Ownership	4	Perpetuity	Yes	MassHousing
Total Units	Rental - 83 Ownership - 7	90			
Source: Massachusetts Department of Housing & Community Development, 3/1/10					

Through a Request for Proposals, the Marion Affordable Housing Trust selected the EAFish Group as the developer to quadruple the size of the small, Town-owned and managed senior citizen development at Little Neck Village. The \$7.5 million development will add 36 one-bedroom apartments through three, single-story buildings, a shared community building, as well as a two-storied building for a total of 46 one-bedroom units and two (2) two-bedroom units for older adults. The proposed

<sup>21</sup> The Marion ZBA issued a comprehensive permit in November 2009 for the River View Landing development that includes four (4) affordable units as apart of a 15-unit homeownership development on River Road.

expansion requires the purchase of land adjacent to the existing Little Neck Village development, drawing on \$400,000 in CPA funds provided through the Marion Affordable Housing Trust. *It is important to note that this addition to Marion's SHI allowed the town to be "certified" under state guidelines, meaning that it had met production goals under its 2005 Affordable Housing Plan and has two (2) years when it is able to deny inappropriate comprehensive permit projects, lasting through 2009 and most of 2010.*

Construction for the Little Neck Village expansion is proposed in two (2) phases. Current Little Neck Village residents would remain in their units during Phase I construction of the two-storied building. Residents would then move into the Phase I building temporarily during Phase II construction as the existing buildings are demolished and replaced by one-story "cottage-style" structures. Under the expansion plan, the Town would lease the land to EAFish Group for \$1 over 99 years and Peabody Properties, a subsidiary management arm of the developer, will manage the property upon completion. The project developer has applied and received the necessary subsidy funds from the state to begin construction.

With the inclusion of these units, Marion's affordable units involve 75 rental units for older adults (85% of SHI), eight (8) units for special needs populations (9% of SHI), and seven (7) ownership units (7.8% of SHI).

Given recent and projected housing growth, Marion should have a total housing stock approaching 2,600 units by 2010, about 2,235 year-round units with the same ratio of year-round to seasonal or second homes when the 2010 census is released. The affordability gap would then increase to about 140 units and annual production goals under Housing Production requirements would increase to 11 units.

## **2. Recent or Proposed Housing Developments**

In addition to Little Neck Village described above, several other projects that include affordable units are in the pipeline including:

- The Marion Zoning Board of Appeals approved a comprehensive permit in March 2009, to allow J & W Realty Trust to build six (6) rental units above an exiting commercial building. Two (2) of these units were required to be affordable, but because this is a 40B rental project, all units would be eligible for counting as part of the SHI. The property has been sold, and development plans are unclear.
- The Marion ZBA also approved a comprehensive permit with conditions for 96 one- and two-bedroom rental units on about 34 acres of property north of the Wave Restaurant and west of Front Street, referred to as the Bay Watch development. The developer, Well-Built Homes, had proposed 192 units and appealed the ZBA's decision to the state's Housing Appeals Committee (HAC),

which subsequently decided in favor of the development. However, since then abutters have filed suit, which are likely to be resolved in the near future. The developer received a modification of the comprehensive permit to reduce the number of units to 168. Because of pending litigation, these units have never been included on the Subsidized Housing Inventory and should be eligible for counting towards production goals.

- The Town's Housing Trust and Open Space Committee are working to acquire a three-acre property that includes an existing house and considerable wetlands. Plans are to demolish the house and build one or two affordable units while keeping the rest of the property as preserved open space. The Housing Trust has received \$40,000 in CPA funds to help subsidize the affordable unit and the Town has also secured a private \$10,000 donation. Once acquired, the Housing Trust will prepare and issue a Request for Proposals to secure an entity to undertake the affordable housing component of the project.

*The potential addition of these 175 units will bring the SHI count to 265 units or 12.6% of the current year-round housing stock of 2,095 units and about 11.9% of the projected year-round count of about 2,235 units.*

## **F. Gaps Between Existing Housing Needs and Current Supply**

As the affordability analysis indicates in Section III.D above, significant gaps remain between what most current residents can afford and the housing that is available. In fact the current homeownership market is largely outside the means of those earning at or below the median income level. Moreover, population projections estimate that by 2020 the population will increase to 5,740 residents, 715 more than the Town's census of 5,025 residents as of mid-November 2009 and a likely overestimate of future growth. Based on the 2009 estimate of 2.47 persons per household, such estimates suggest that about another 290 units might be built between 2010 and 2020 on top of the growth between 2000 and 2010. In addition to the existing 124-unit gap to meet the 10% state affordability goal under Chapter 40B, this additional growth would likely push the gap to approximately 170 units through 2020.<sup>22</sup>

### **1. Priority Housing Needs Require a Mix of Housing Choices**

In 2000, Marion's housing stock included a 79 to 21 percent ratio of homeownership units to rentals, and almost all affordable units in the SHI have boosted rentals in an effort to continue to diversify the housing stock. To further diversify housing and present a range of affordable housing options in Marion, the Town will need to pay particular attention to the following housing needs:

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<sup>22</sup> Because all units can be counted under Chapter 40B for rental projects, this 200-unit gap over the next decade could be smaller given a higher level of rental development.

### **Households with Limited Incomes**

*Despite increasing household wealth, there still remains a population living in Marion with very limited financial means. Given the high costs of housing, including sizable up-front costs (first and last months rent, a security deposit, and/or moving expenses), more subsidized rental housing is necessary to make living in Marion affordable, particularly for those who have very limited financial means.*

- Of the 1,990 total households counted in 1999, 64 or 3.2% had incomes of less than \$10,000 and another 233 or 12% had incomes between \$10,000 and \$24,999. Estimates for 2009 indicate that there are still residents earning at these very low-income levels including 211 households or 10% of all households.
- Based on 2009 estimates from the Nielsen Claritas data base, approximately 789 or 38% of all households had incomes within the 80% income level or \$57,250 for a household of three.<sup>23</sup>
- While the numbers of those in poverty remains relatively low, 232 or about 5% of all residents in 1999 and 50 or 3.5% of all families, they still signal that there was a very vulnerable population living in Marion, most likely finding it difficult to afford to live in town if they are not living in subsidized housing. Given the increasing costs of living since 2000, including housing costs, it is unlikely that those in poverty have decreased substantially unless they have been forced to leave the community in search of more affordable living conditions.
- Local real estate listings indicate that market rents are actually higher, at least \$1,000 for two-bedroom units, requiring an income of about \$40,000 based on a household spending no more than 30% of its income on just the rent. When considering additional housing-related expenses such as utilities, the required income goes up still further for the unit to meet the 30% of income test. To put these rentals into another context, someone earning the minimum wage of \$7.25 for 40 hours per week and every week during the year would still only earn a gross income of \$15,080. Households with two persons earning the minimum wage would still fall very short of the \$38,000 income.
- Of the 400 renters in 2000, 96 or 24% were spending more than 30% of their incomes on housing expenses, and 43 or 11% of all renters spent more than 50% of their income on housing.

### **Gaps in Affordability and Access to Affordable Housing**

*Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, municipal employees, as well as empty nesters and older adults.*

- There were only a handful of single-family homes that sold in Marion for under

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<sup>23</sup> While these households' incomes might be at or below 80% of area median income, many households are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

\$200,000 from January to mid-November 2009, which would be affordable to low- and moderate-income households, all small and needing improvements.

- To afford the median sales price of a single-family home in Marion of \$369,900, based on The Warren Group information as of the end of September 2009, a household would have to earn approximately \$78,400<sup>24</sup> (\$94,500 with 95% financing), somewhat more than the adjusted median income of \$76,640<sup>25</sup> at that time, not affordable to approximately 50% (60% with 95% financing) of Marion's households based on 2009 income estimates. Since mid-2009 the median single-family home price has decreased somewhat to \$350,250 but is still more than what most first-time homebuyers can afford who do not have equity from a former purchase and can expect down payments of approximately 20% of the purchase price.
- Updated income estimates suggest that at least half of Marion households could not afford the median priced home based on an income of about \$78,400 and the ability to come up with the 20% down payment, 60% if 95% financing was available requiring an income of about \$94,500.
- About 63% of all households earning at or below 30% of area median income were spending more than 50% of their incomes on housing, involving 87 households whether they be owners or renters.
- Of the 93 households earning between 30% and 50% of area median income, about one-third or 30 households (including 26 owners and 4 renters) were spending more than 50% of their income on housing.
- Almost two-thirds or 161 of the 247 owners earning at or below 80% of area median income were spending too much on housing.

### **Housing Conditions**

*Programs to support necessary home improvements, including deleading, handicapped accessibility, and septic repairs for units occupied by low- and moderate-income households, particularly older residents living on fixed incomes.*

- More than 60% of Marion's housing stock, or 1,233 units, was built prior to 1970 and is likely to have traces of lead-based paint, posing safety hazards to children. Some of these units are also likely to have deferred maintenance needs.
- Because parts of Marion still lack sewer services, it is also likely that there are septic systems in town that require repairs to avoid water quality and other environmental problems.
- Because of an increasing population of older adults, more units with handicapped

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<sup>24</sup> Figures based on 80% financing, interest of 5.5%, 30-year term, annual property tax rate of \$7.87 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, and estimated monthly condo fees of \$300.

<sup>25</sup> Based on the Nielsen Claritas, Inc. (a proprietary data source) 2009 estimate of median income for Marion.

accessibility will be required.

- The Town of Marion applied for Community Development Block Grant (CDBG) funding from the state in 2004 and 2005 to launch such an effort, and was not funded both times.

A summary of housing goals based on these priorities is provided in Table III-29 based on an average of 11 affordable units per year, reflective of production goals under the state Housing Production guidelines, and a balance of about 70% to 30% rental versus homeownership units. Goals for housing rehabilitation are premised on at least two (2) units per year and the ability to secure necessary subsidy funds.

Table III-29: Housing Production Goals Based on Types of Units		
Type of Units	5-Year Goals	10-Year Goals
Rental Housing	40 units	80 units
Homeownership Units	15 units	30 units
Total	55 units	110 units
Promote housing assistance for property improvements	10 participants in improvement programs	20 participants in improvement programs

## 2. Target Populations

In addition to the housing and economic conditions that affect affordability described above, there are specific target populations that have a particular need for affordable housing including the following:

### Older Adults

*Housing alternatives to accommodate this increasing population of older adults, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance requirements, should be considered in housing planning efforts.*

- Census data and projected data indicate substantial increases in the older age groups. For example, those age 65 and over increased from 14.4% to 17.7% from 1980 and 2000. Of particular note were those more middle-aged residents age 45 to 54 who increased from 9.5% to 17% of the population, more than doubling in number.
- Projections show that older age groups are likely to increase significantly with those over the age of 65 becoming at least 20% of the population by 2014, up from 14.4% in 1980. This aging trend is reflected in increases of the median age, from 42.5 years in 2000 to a projected 46.2 years by 2014.
- Town records as of November 10, 2009, suggest an even higher number of older residents in comparison to the 2009 estimates with those 60 years or older representing

almost 30% of all residents.

- Projections from the Massachusetts Institute for Social and Economic Research (MISER) indicate substantial growth of all the older age cohorts, projecting an increase of those age 65 or older from 17.7% of all residents in 2000 to 27.8% by 2020.
- Marion has made progress in producing rental housing for its older residents including 27 units at Marconi Village and 12 units at Little Neck Village, which will be redeveloped into 48 total rental units for low-income older adults. There is substantial demand for this type of housing. Little Neck Village has 35 people on the wait list, 18 from Marion, and vacancies are rare as there have only been about four (4) within the last three (3) to four (4) years.
- Data on cost burdens indicated that 118 of the 493 older homeowners were spending too much for housing including 56 of these households spending more than half their income on housing costs.
- Almost 40% or 135 older adults who owned their own homes and were earning at or below 80% of area median income were spending more than 50% of their income on housing.
- The Marion Council on Aging indicated that the Town has been doing a good job in helping low-income older residents, but those with incomes just above the 60% of area median income level, also need affordable housing alternatives.
- There are no assisted living options in Marion, the closest being in Fairhaven.

### **Families**

*Affordable housing that is specifically directed to families should be produced including both rentals and first-time homeownership.*

- Families were 72.2% of all households in 2000, estimated to comprise about the same level in 2009.
- Marion's Subsidized Housing Inventory includes only three (3) units targeted to families.
- There were 122 small families who were renters in 2000, 25 or 86% of whom were earning within 30% of area median and spending more than half their incomes on housing. In total there were 122 small family renters, 33 were spending too much on housing.
- There were 56 small families who were homeowners earning between 30% and 80% of area median income, 42 or 75% of whom had housing cost burdens, 18 spending more than 50% of their income on housing.
- Of the 40 large families who owned their homes in 2000 and had incomes within 80% of area median, 36 or 90% were spending too much on housing including 16 spending more than 50% of their income on housing.
- It is difficult for those who have not owned a home in the past to have sufficient cash and income to afford a home in Marion based on current lending requirements and house prices.
- A small rental for a family with two-bedrooms is at least \$1,000 that also involves considerable up-front cash requirements of first and last months rent and a security



deposit.

- There were 82 female-headed householders living in Marion who had children of their own under 18 years of age according to the 2000 census. An analysis of income data shows that these householders who are homeowners are in danger of losing their homes because they cannot afford them.
- While foreclosure activity has not been substantial in Marion, involving nine (9) foreclosures in the last six (6) months preceding November 13, 2009,<sup>26</sup> households that are over-extended financially are extremely vulnerable to rising housing expenses and foreclosure.
- The 1999 median family income was lowest for female-headed households with children under 18 than any other household type at \$36,250 as opposed to the overall median family income of \$75,265 and \$82,891 for married couples with children under 18.

### **Persons with Special Needs**

*Some amount of new housing should be built adaptable or accessible to the disabled, and supportive services should also be considered, including the possibility of additional group homes.*

- In total 674 residents or 13% of the population was disabled in 2000.
- The state Department of Mental Health and Department of Mental Retardation sponsor group homes in Marion, four (4) units for each agency at this time. Each bedroom is eligible for counting as part of the Subsidized Housing Inventory, and the homes are relatively easily integrated into the community.

### **Municipal Employees**

*Municipal employees, when they meet project eligibility requirements, are among the categories of those who can receive preference for new affordable units, and should be notified of all affordable housing opportunities as they arise.*

- Housing for Marion Town employees has been a problem because of the costs of homeownership are so high, exacerbated by very low vacancy rates for both homes and apartments. For those municipal employees who live in Marion, a two-wage household or a second job is a way of life.
- A survey conducted by the Town to obtain a better understanding of the housing needs of Town employees in the fall of 2003, provided the following insights:
  - The lack of available and affordable housing was an impediment to the hiring of new employees. For example, there were not enough new applicants available to fill open Fire Department positions from inside the

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<sup>26</sup> ForeclosureMass database, November 13, 2009. Relative to other towns and cities in Massachusetts in the last 60 days, Marion had more foreclosed properties than 17 towns, the same amount as 55 towns, and fewer foreclosed properties than 295 towns.



community and those firefighters who live in adjacent communities often find it difficult to respond to a fire call in a timely manner.

- Some teachers are commuting from as far away as Middletown, Rhode Island, Stoughton, Massachusetts and Brewster on Cape Cod. Only about half of the teachers who responded to the survey lived within a 20-minute commute of their schools.
- A number of Fire Department employees rented in Marion but would rather own their home.
- There were several officers within the Police Department who would prefer to live in Marion, but were unable to find homes that they could afford.
- Slightly more than half of the DPW staff would like to live in Marion, but cannot afford to do so. Also, 80% of the DPW staff who live in town work two or more jobs in order to pay for their housing.

### **Community Housing**

*Promote community housing (those earning between 80% and 100% of area median income) as part of new housing development, including up to 10% of total units when financially feasible.*

- There is also a need to produce some housing that is accessible for those earning above 80% of area median income and within median income (eligible for CPA assistance) but still shut out of the private housing market.

A summary of goals for the above target populations is presented in Table III-30. These goals are based on a split of about one-third of all units directed to older adults versus two-thirds to families.

<b>Table III-30: Housing Production Goals for Target Populations</b>		
<b>Target Population Goals</b>	<b>5-Year Goals</b>	<b>10-Year Goals</b>
Older Adults	20	40
Families	35	70
Total	55	110
Persons with Special Needs	10% of new units produced or 6 units	10% of new units produced 11 units
Municipal Employees	5% of new units produced or 3 units	5% of new units produced or 6 units
Community housing for those earning up to 100% of AMI (10% of new units produced)	6 units	11 units

Table III-31 includes a summary compilation of the production goal breakdowns for types of

units in Table III-29 with the target population goals in Table III-30 for both the shorter and longer term.

<b>Table III-31: Summary of Housing Production Goals Based on Priority Needs</b>		
<b>Type of Units</b>	<b>5-Year Goals</b>	<b>10-Year Goals</b>
Rental Housing	40 units (14 older adults and 26 families)	80 units (28 older adults and 52 families)
Homeownership Units	15 units (5 older adults and 10 families)	30 units (10 older adults and 20 families)
Total	55 units (19 older adults and 36 families)	110 units (38 older adults and 72 families)
Promote housing assistance for property Improvements	10 participants in improvement programs	20 participants in improvement programs
Persons with Special Needs	10% of new units produced or 6 units	10% of new units produced 11 units
Municipal Employees	5% of new units produced or 3 units	5% of new units produced or 6 units
Community housing for those earning up to 100% of AMI (typically in a mixed-income development)	10% of new units produced or 6 units	10% of new units produced or 11 units

#### IV. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

It will be a challenge for the town of Marion to create enough affordable housing units to meet local needs and the 10% state goal, particularly in light of current constraints to new development including the following:

##### A. Infrastructure

The Town of Marion does not have a public water or sewer system that extends to all residents as of yet, but is getting very close. As of the end of 2009, about 98% of the Town's properties were connected to municipal water services and about 75% were connected to Town sewer services. The Town has addressed its infrastructure needs in three (3) plans released between 2001 and 2003 that directed the relatively recent work in upgrading and expanding its infrastructure including:

- The Town's Wastewater Planning Committee issued a *Facilities Plan* in May 2001 that outlined plans for upgrading its wastewater treatment plant and sewage collection system.
- In 2002 the Department of Public Works (DPW) began exploring additional water supply options and issued its *Capital Improvement Program*, focusing on the problems of water storage, distribution, and supply. The Plan sited needs to repair existing water tanks, the construction of a new tank, the building of a filtration plant with other towns, and a distribution needs program to improve the Town's fire flows.
- A year later, in 2003, the Marion Finance Committee adopted a formal *Capital Plan* that identified capital spending items that were needed over the next ten (10) years.

##### Mitigation Measures

From these plans, a number of infrastructure projects, excluding school-related projects that are discussed later, have been completed or are planned and will remove some infrastructure constraints to development including the following:

- The rebuilding of the Town's Wastewater Treatment Plant. Last year the Town hired an engineering firm to determine the capacity of the Plant in terms of both load and flow and concluded that the facility has a capacity to handle 1,986 typical residential sewer connections with a total of 272 additional residential connections that can be added to the system.
- The expansion of the sewage collection system into the Dexter Beach, Berry Road and South Converse Road neighborhoods.
- The establishment of the Regional Water Commission District for the towns of Marion, Mattapoisett and Fairhaven to design a regional water treatment facility and associated distribution system.

- Studies regarding the reactivation of the Town's existing Wolf Island Water Pumping Station.
- The design and engineering for a new water storage tank for Marion Village and a 20-year program to upgrade the Town's water distribution system.

Also, to the greatest extent possible, new development will occur in areas where infrastructure is available as opposed to undeveloped parcels that lack such services.

## B. Zoning

Marion's Zoning Bylaws include nine (9) major zoning districts, five (5) of which are residential as summarized in Table III-32.<sup>27</sup>

Table III-32: Zoning Districts				
District	Acreage #/%	Minimum Lot Size	Minimum Lot Width	Dwellings Per Lot
Residence A	1,513/16.7%	21,780 (0.5 acres)	125	1 By-right (BR), 2 by special permit (SP)
Residence B	1,282/13.9%	43,560 (1 acre)	150	1 BR, 2SP
Residence C	5,028/55.6%	87,120 (2 acres)	200	1 BR, 2SP
Residence D	742/8.2%	87,120 (2 acres)	250	1 BR, 2SP
Residence E	4.5/0.06%	40,000	150	12/acre max.
Limited Bus.	13.4/3.2%	15,000	80	1 BR, 2SP
General Bus.	287/0.2%	15,000	100	1 BR, 2SP
Marine Bus.	54/1.7%	15,000	100	1 BR, 2SP
Limited Ind.	157/0.6%	15,000	100	1 BR, 2SP
Total	9,081/100.0	--	--	--
Sources: Marion Zoning Bylaws and 1999 State Executive Office of Environmental Affairs Build-out data.				

Use regulations allow single-family homes in all districts except the Limited Industrial District where a special permit from the Zoning Board of Appeals is required. The Residence E District is the Multifamily Residence District "to encourage a limited amount of rental or ownership housing in Marion at a relatively low density to facilitate

<sup>27</sup> Other districts include a Special Flood Hazard District, Water Supply Protection District, Open Space Development District, Surface Water District, Waterfront Compound, Campus Office Park and Wireless Communications Facilities Overlay District.

affordable housing and construction needs. Such housing must be served by public sewer and water. In keeping with the community's desire to maintain Marion as a place where single-family detached homes predominate, these regulations will apply only when the Marion Town Meeting decides to designate an area or areas as Residence E, Multifamily Residence."<sup>28</sup> These provisions were used for the development of Marconi Village.

Some of the other major provisions of the Zoning Bylaw that relate to housing affordability or smart growth development are summarized below.

- Affordable Lots/LIP Dwelling Units  
Under special permit and endorsement by the Board of Selectmen, the development of nonconforming lots for affordable housing is allowed in Marion.<sup>29</sup> The existing lot or lots must be in common ownership with that of adjoining land and contain at least 5,000 square feet of area and 50 feet of frontage on a street in a residential district. The unit(s) to be developed on the lot must meet all state requirements under the Local Initiative Program (LIP), including deed restrictions in perpetuity. This bylaw has not been used to date, however, LIP units have been approved but not yet developed on Point Road.
- Multiple Unit Rental Housing<sup>30</sup>  
The Planning Board is allowed to issue a special permit to allow rental units on the second or third floor of an existing structure based on a number of conditions including that the property is located in a business or industrial district, the first floor is used for commercial purposes, the structure was built prior to 1931 or can demonstrate historical significance, has a pre-existing second and/or third floor, the units created remain as rentals, etc. Another condition is that more than two (2) rental units can be approved, but no less than 25% of the units must be affordable and eligible for counting as part of the state's Subsidized Housing Inventory. There are such older units that have been grandfathered in the Village, primarily on Route 6 between Spring and Front Streets and on Main Street.
- Inclusionary Housing<sup>31</sup>  
The bylaw requires that at least 10% of the new units built in subdivisions of six (6) units or more be affordable for homeownership per state LIP requirements, whether built on-site or off-site, or that a fee in-lieu of units be provided of

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<sup>28</sup> Marion Zoning Bylaws, Section 5.3.

<sup>29</sup> Marion Zoning Bylaws, Section 5.6.

<sup>30</sup> Marion Zoning Bylaws, Section 7.4.9.

<sup>31</sup> Marion Zoning Bylaws, Section 8.12.

\$200,000 per required affordable unit, or some combination of the these options. The bylaw applies to multi-family development as well whether on one or more contiguous parcels but not the construction of six or more single-family dwelling units on individual lots if the lots were in existence prior to April 2003. A special permit is required through the Planning Board. The absence of relatively large tracts of land in Marion is the primary claim for the lack of activity to date with respect to this bylaw.

- Conservation Subdivision<sup>32</sup>

The goal of the conservation subdivision is to preserve open space and the natural features of the land by allowing the clustering of homes on lots that are up to 50% smaller than conventional lots and by providing a minimum of 20% of land in the subdivision as open space. The number of homes constructed should be equal to that of a conventional subdivision. The subdivision can consist of any combination of single-family, two-family, and townhouse residential structures. A townhouse structure cannot exceed four (4) units with gabled roofs, predominantly wood siding, an articulated footprint, and varied facades oriented towards the street and not the required parking area. Two (2) parking spaces are required per unit. The open space must be contiguous, include a minimum of 50% of the parcel, and be preserved in perpetuity. Utilization of the by-law requires a special permit from the Planning Board. This bylaw was used for a subdivision on JoAnne Drive, but it has not been used since then, primarily due to the relative lack of large tracts of land on which to develop.

- Open Space Development District<sup>33</sup>

This bylaw applies to parcels of 50 acres or more in the Residence C District, intended to offer options to property owners to develop the property under standards which are unique to the site and not limited to those that generally apply to the zoning district. The Open Space Development District allows the construction of all residential types, although the total number of units should not exceed that which would normally be allowed in the Residence C District and at least 40% of the tract must be preserved as open space. Density bonuses are offered, however, of up to 15% if between 15% and 30% of the units are affordable "independence" housing or "starter" housing.<sup>34</sup> This bylaw has also not been used to date.

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<sup>32</sup> Marion Zoning Bylaws, Section 10.

<sup>33</sup> Marion Zoning Bylaws, Section 12.

<sup>34</sup> Independence housing is defined as small floor area single-family detached or attached owner-occupied housing for households where the head is 55 years of age or older. Starter housing is defined in the bylaw as single-family detached or attached, owner-occupied units available to first-time homebuyers earning between 80% and 110% of area median income.

- Flexible Development<sup>35</sup>

The purpose of this bylaw is “to preserve open space, forested and other scenic views along the public ways in the Town of Marion; to protect the natural environment; to protect the value of real property; to promote more sensitive siting of buildings and better overall site planning; to preserve Marion’s traditional New England landscape; and to allow landowners a reasonable return on their investment.”<sup>36</sup> The bylaw pertains to the creation of five (5) or more parcels in a residence district, whether a subdivision or not, from a parcel or set of contiguous parcels held in common ownership and further subject to site plan review. The Planning Board can authorize modifications of zoning requirements such as reduced lot sizes, variations on shape and other bulk requirements subject to some stated limitations. Also, a buffer of not less than 200 feet in width is required between the development and any public way. This bylaw has also not been used to date.

- Accessory Apartments<sup>37</sup>

The bylaw allows the creation of accessory apartments in single-family homes by special permit of the Zoning Board of Appeals “to provide additional dwelling units to rent without adding to the number of buildings in town or substantially alter the appearance of the town”.<sup>38</sup> The bylaw further states, “an accessory apartment is intended to provide assistance in the provision of affordable housing opportunities for families and individuals of all ages.”<sup>39</sup> *The unit can only be occupied by an immediate family member of the owner or comply with state LIP requirements to be affordable.* The property must have been in existence before the date the bylaw was adopted, meet Title V requirements, and not be significantly altered in appearance from the existing single-family structure. One accessory apartment per property may be allowed in the principle structure if the unit is 850 sq. ft. or less in size and smaller than the principle unit. Accessory units are also allowed in accessory buildings. The bylaw also requires that the property owner reside in the principal or accessory unit and provide an affidavit affirming this circumstance. On additional off-street parking space is also required.

All of the new accessory apartments that have been created since the bylaw was adopted were for family members. While no accessory units have been added that meet LIP affordability requirements, there are many accessory units in town that do not have the required permits but are generally assumed to house those

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<sup>35</sup> Marion Zoning Bylaws, Section 15.

<sup>36</sup> Ibid.

<sup>37</sup> Marion Zoning Bylaws, Section 8.6.

<sup>38</sup> Ibid.

<sup>39</sup> Ibid.

who have lower incomes. Changes in the state's Local Initiative Program (LIP) since the passage of this bylaw, particularly the requirement that owners select tenants from a Ready Renters List, have eroded interest in creating state approved affordable units. Moreover, at this point, Marion lacks the administrative oversight that is necessary for insuring affordability under state guidelines for Local Action Units under LIP.

- Rate of Development<sup>40</sup>

The purpose of the bylaw is to regulate the rate of growth in town so that municipal services would not be overburdened. Beginning on March 10, 1997, the bylaw capped the number of new residential building permits issued by the building inspector at 26 per year for the next five (5) full calendar years as allotted monthly in the zoning bylaw and adjusted each year. The provision was due to expire on January 1, 2007, but is still in effect.

- Subdivision Phasing<sup>41</sup>

This bylaw placed a cap of seven (7) residential building permits in a 12-month period on land subdivided into more than seven (7) lots. The Planning Board may grant a special permit allowing more than seven permits in a 12-month period if it determines that the probable benefits to the community outweigh the probable adverse effects giving particular consideration to proposals that demonstrate a reduction in allowable density of 50% or more. Where such permit is granted, any building permits issued for dwelling units within the division of land will not count toward the 26 units to be issued annually under the rate of development bylaw. Subdivisions of more than 40 lots may receive a special permit from the Planning Board allowing development of 10% of the lots per year. This bylaw is also still in effect.

### Mitigation Measures

This Housing Production Plan includes a number of strategies that are directed to reforming local zoning regulations, making them "friendlier" to the production of affordable housing and smart growth development. These include promoting affordable housing in mixed-use development through a Neighborhood Overlay District (NOD), amending the inclusionary zoning and accessory apartment provisions, mapping a multi-family district, and exempting affordable housing from the development rate and subdivision phasing (see Section VI.B).

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<sup>40</sup> Marion Zoning Bylaws, Section 13.

<sup>41</sup> Marion Zoning Bylaws, Section 14.



### **C. Buildable Land**

Most prime properties have been developed and there are fewer parcels available that do not involve development restrictions or environmental issues, such as wetlands. As a result, the Marion Housing Trust will become increasingly challenged to locate development opportunities.

#### **Mitigation Measures**

Because of the limited amount of developable property, it is all the more important that the new units that are created help diversify the housing stock, including greater affordability. This Plan suggests several zoning mechanisms to mandate and incentivize affordable units including a modified inclusionary zoning bylaw (see Section VI.B.2) as well as strategies to promote greater housing choices (see Section VI.C).

### **D. Transportation**

Marion is served by a network of principal highways including U.S. Route 6, Interstate Route 195, and state Route 105. The accessible highway system does allow for relatively easy commutes to areas in southeastern Massachusetts and Rhode Island, even to Boston and Providence. Census data corroborates that most workers commute to work by car (90% of workers), with an average commuting time of 27 minutes. There is no rail service nor regional bus transportation, which make residents almost totally reliant on the automobile and adds another cost burden for those with limited incomes, particularly those on fixed incomes.

#### **Mitigation Measures**

One of the strategies included in this Housing Plan is to explore higher density, mixed-use development in the area surrounding the intersection of Route 105 and Route 6 that has the potential for reducing at least some reliance on the automobile (see Section VI.B.1 for details). Opportunities to direct development to areas that are most conducive to higher densities, such as along Route 6, may serve to reduce transportation problems somewhat but the lack of public transportation virtually requires residents to have cars.

### **E. Schools**

In recent years, the Town's elementary school, the kindergarten through sixth grade Sippican School, has experienced some declines in enrollments. From 2001 through 2004 the average enrollment was 492 students and was 474 in 2005. Those Marion students attending the Old Rochester Regional High School, which serves as the junior and senior high school for Marion, Mattapoisett and Rochester, was on average 367 students between 2001 to 2004, and down to 399 in 2005 or 32% of the total 1,247 students at the time. In 2005, there were also 46 students attending the Upper Cape Cod Technical School serving the three towns plus Bourne while in the past only about 12 to 14 attended this school from Marion.

### **Mitigation Measures**

The Town completed the rebuilding and expansion of the Sippican School in 2002, and completed the rebuilding and expansion of the Old Rochester Regional School in 2004, jointly with the Towns of Mattapoisett and Rochester. Given declining enrollments, the existing schools should not experience capacity problems, at least over the next few years.

### **F. Availability of Subsidy Funds**

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Marion is fortunate to have passed the Community Preservation Act that provides an important local resource for affordable housing in 140 other communities across the state, that it can use to effectively leverage additional public and private financing to make affordable development feasible as the Town is doing with the Little Neck Village expansion project. CPA funds can also be used as a sole-source subsidy for a wide variety of other efforts related to affordable housing.

### **Mitigation Measures**

This Housing Plan provides guidance on the use of Community Preservation Funds and Marion's Affordable Housing Trust Fund for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources. In an effort to better manage and coordinate funding for affordable housing purposes, this Plan recommends that the Town secure additional professional housing support (see Section VI.A.3 for details).

### **G. Community Perceptions**

Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms can conjure images of potential neglect, plunging property values, increased crime, and even tensions concerning class and race. On the other hand, with such high real estate prices, community perceptions have been tilting towards the realization that affordable housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the older neighbor may not be able to afford to live or remain in the community. It is this growing awareness, impending 40B developments, and some appreciation that affordable housing can be well designed and integrated into the community, which are spurring communities such as Marion to take a more proactive stance in support of affordable housing initiatives. Also, once residents understand that the Town can potentially reserve at least 70% of the affordable units in any new development for those who have a connection to Marion, referred to as “community preference”, greater local support is typically more

forthcoming.<sup>42</sup>

Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to continue to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

### **Mitigation Measures**

Marion proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section VI.A.1). It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for real input. Moreover, this Plan proposes that the Town hold at least annual housing summits to provide opportunities for local leaders to share information about the status of affordable housing initiatives to better promote municipal communication and cooperation in the implementation of various strategies as well as for local leaders to obtain ongoing training related to affordable housing.

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<sup>42</sup> Marion's local preference criteria include a current resident, families of children attending school in Marion, municipal/school system employees, and employees of local businesses.

## V. AFFORDABLE HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) introduced the Planned Production Program in December 2002, in accordance with regulations that were meant to provide municipalities with greater local control over housing development. Under the Program, cities and towns were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>43</sup> If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.<sup>44</sup>

Additional changes to Chapter 40B established some new rules.<sup>45</sup> For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Marion will have to now produce at least 10 affordable units annually to meet annual production goals through 2010, still a challenge for a small community. Moreover, this goal is likely to increase to about 11 units after the next decennial census count becomes available and future housing growth will continue to drive-up the 10% goal.<sup>46</sup>

Using the strategies summarized under Section VI and priority needs established in Section III.C, the Town of Marion has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area

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<sup>43</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

<sup>44</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

<sup>45</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.00.

<sup>46</sup> It should be noted, however, that all units in Chapter 40B rental developments count as part of annual production goals and the 10% state goal as opposed to only 25% for homeownership projects.

median income – the **affordable units** – and at least another 10% affordable to those earning up to 120% of area median income – **moderate-income “workforce” units** – depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements. It should also be noted that the Town can provide CPA assistance to subsidize units for those earning between 80% and 100% of area median income, commonly referred to as **“community housing” units**, however these units cannot count as part of the Subsidized Housing Inventory.

- Projections are based on no fewer than four (4) units per acre, averaging about eight (8) total bedrooms. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing funding from the Municipal Affordable Housing Trust Fund or CPA where appropriate.
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section III.C) where about two-thirds of the units are directed to rentals. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, older adults and other individuals with special needs to offer a wider range of housing options for residents.

**Table V-1  
Marion Housing Production Program**

<b>Strategies by Year</b>	<b>Affordable Units &lt; 80% AMI</b>	<b>Workforce Units 80%-120% AMI or ineligible for SHI</b>	<b>Total # units</b>
<b>Year 1 – 2010</b>			
Private property development/ Bay Watch 40B – family rental	168 (all units count)	0	168
<i>Subtotal</i>	<i>168</i>	<i>0</i>	<i>168</i>
<b>Year 2 – 2011</b>			
Covered under Year 1			
<b>Year 3 – 2012</b>			
Development of public property/Route 6 parcel – homeownership	2	0	2
Conversion of existing housing/ homeownership	2	0	2
Private development/group home or other congregate setting – special needs rental	4	0	4
Private development/inclusionary zoning – homeownership	1	0	10
Private development/mixed-use through new zoning – homeownership (mixed-income condos)	3	1	12
<i>Subtotal</i>	<i>12</i>	<i>0</i>	<i>30</i>
<b>Year 4 – 2013</b>			
Private development/mixed-use zoning – senior rental	2	0	8
Conversion of existing housing/ Homeownership	2	0	2
Private development/"friendly" 40B – – homeownership	8	0	32
<i>Subtotal</i>	<i>12</i>	<i>0</i>	<i>42</i>
<b>Year 5 – 2014</b>			
Conversion of existing housing/ Homeownership	2	0	2
Development of public property/ water tower site -- rental	10	2	20
<i>Subtotal</i>	<i>12</i>	<i>2</i>	<i>22</i>
<b>Total</b>	<b>204</b>	<b>2</b>	<b>262</b>

\* The totals include market rate units in addition to the affordable and workforce units.

## VI. HOUSING STRATEGIES

As mentioned earlier, the Town of Marion prepared an Affordable Housing Plan under previous Planned Production guidelines, receiving state approval in 2005. In fact, based on progress in providing affordable housing through the approval of the Little Neck Village expansion project, Marion was “certified” under its Housing Plan and can deny inappropriate comprehensive permit projects through late 2010. This Plan, now submitted under Housing Production requirements, builds on the Town’s accomplishments since 2005 that included the implementation of the following strategies that were identified in the 2005 Plan:

- Adoption of an inclusionary zoning bylaw;<sup>47</sup>
- Integrating the Marion Housing Program with Town government;<sup>48</sup>
- Adopting a Community Preservation Fund through passage of the Community Preservation Act (CPA);
- Establishing the Marion Affordable Housing Trust Fund;
- Approving an accessory apartment bylaw that included an affordability component;<sup>49</sup>
- Passing a small lots bylaw that allowed for the development of affordable housing on nonconforming lots;<sup>50</sup> and
- Developing affordable housing on Town-owned property through the expansion of the Little Neck Village project.

The strategies outlined below are derived primarily from the 2005 Affordable Housing Plan, a community survey, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning Reforms, and Housing Production – and categorized according to priority as those to be implemented within Years 1 and 2, where some immediate action is required, and those within Years 3 to 5. A summary of these actions is included in Appendix 1.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:<sup>51</sup>

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<sup>47</sup> See Section IV.B for details.

<sup>48</sup> The Little Neck Village development has been managed by volunteers since 2000, but the Town took over this work in 2005. Property management responsibilities will be turned over to Peabody Properties with the new expansion.

<sup>49</sup> See Section IV.B for details.

<sup>50</sup> Ibid.

<sup>51</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*
  - Promote affordable housing in mixed-use development (see strategy VI.B.1)
  - Map a Residence E District (strategy VI.B.4)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
  - Continue to make suitable public land available for affordable housing (see strategy VI.C.1)
  - Continue to partner with private developers on privately owned sites (see strategy VI.C.2)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
  - Adopt inclusionary zoning (see strategy VI.B.2)
  - Continue to partner with private developers on privately owned sites (see strategy VI.C.2)
  - Modify accessory apartment bylaw (strategy VI.B.3)
  - As indicated in strategy VI.C.1 and C.2, the Town should continue to acquire property and work with developers to create affordable housing in line with smart growth principles including:
    - Mixed-use development in appropriate locations;
    - Accessory apartments;
    - Redevelopment of nonresidential properties into housing;
    - Smaller infill housing in existing neighborhoods;
    - Assisted living units; and
    - Cluster development.
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
  - Continue to make suitable public land available for affordable housing (see strategy VI.C.1)
- *Participation in regional collaborations addressing housing development*
  - Promote homebuyer counseling and other homebuyer services (see strategy VI.A.1)

It will be important to also insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state's Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used.



The Town of Marion developed local rules and procedures for filing comprehensive permit applications in January 2007. Because there have been changes to Chapter 40B regulations and guidelines since then, the Town will revisit these materials and amend them as necessary (see strategy VI.A.4). Importantly, the Marion procedures require applicants to meet with the Town Administrator initially to obtain relevant documents, the application form, and preliminary input. The developer must next meet with the Marion Affordable Housing Trust for endorsement of the project in order to move forward with a “friendly” 40B project.

In addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are being developed through some local action including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the city or town; and/or
- Provision of land or buildings that are owned or acquired by the city or town and conveyed at a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Additionally, a Subsidized Housing Inventory New Units Request Form must be submitted to DHCD to insure that these units get counted.

Some of the important tasks for insuring that the affordable units, now referred to as Local Action Units (LAU’s), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the unit(s) can be included in the Subsidized Housing Inventory through the state’s Local Initiatives Program (LIP).
- Contact DHCD to discuss the project and determine the purchase price based on LIP Guidelines.

- Prepare a LIP Local Action Units application submitted by the municipality (chief elected official), working with the developer, including an Affirmative Fair Housing Marketing Plan.
- Execute a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Implement the Marketing Plan.
- Hold at least one information session about the lottery.
- Approve applicants for eligibility in the lottery.
- Prepare a letter to those eligible for inclusion in the lottery and another to those who do not qualify.
- Conduct the lottery.
- Work with winning applicants and lenders to secure mortgage commitments for ownership projects.
- Obtain the deed rider and resale price certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, disclosure statement and contact info for the closing attorneys for ownership projects.
- Work with lenders and the developer to close on the units for ownership projects.
- Submit necessary documentation to DHCD to have the unit counted as part of the Subsidized Housing Inventory.
- Annually recertify the continued eligibility of affordable units.

To date the Town has relied on project sponsors to insure that all affordable units meet state requirements. However, with Local Action Units, the Town will require some local oversight. The Marion Affordable Housing Trust has part-time administrative support but not a designated municipal employee or housing consultant to coordinate this work (see strategy VI.A.3). The affordability restrictions for all units produced through the Local Initiative Program will be monitored by DHCD, but it is the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions.

*It should be noted however, that a major goal of this Plan is not only to strive to meet the state's 10% goal under Chapter 40B, but to also to serve local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments or mixed-income housing that includes "community housing" or "workforce housing" units)<sup>52</sup>.*

Within the context of these compliance issues, local needs, existing resources, affordability requirements and housing goals, the following housing strategies are proposed. ***It is important***

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<sup>52</sup> Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.

*to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels.* Moreover, these actions present opportunities to judiciously invest funding from the Marion Affordable Housing Trust Fund or CPA to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, modify or create new local zoning provisions and development policies, help preserve the existing affordable housing stock, and build local capacity.

#### **A. Capacity Building Strategies**

Marion is a small town and, unlike most cities or larger communities, does not have substantial state or federal funding to support local housing initiatives on an ongoing basis. Nevertheless, Marion is making considerable progress on building a local structure to better coordinate housing activities.

For example, at the 2006 Annual Town Meeting, the Town approved the establishment of a *Municipal Affordable Housing Trust Fund*, the mission of which is the creation and preservation of affordable housing in Marion for the benefit of low and moderate-income households. Towards this mission, the Housing Trust seeks to:

1. Promote a variety of affordable housing options for those with modest means, including young adults, families, long-time residents, older adults, downsizers, returning Marion natives, and municipal employees.
2. Preserve the natural, historic, and seaside character of the Town and nurture the sense of an integrated and diverse community.

The Board of Selectmen has appointed seven (7) members who work in partnership with other Town boards and committees and housing-related agencies and organizations to fulfill this mission. The Housing Trust is preparing this Housing Production Plan and will serve as the municipal entity responsible for coordinating affordable housing activities for the Town, including the implementation of this Plan.

The Town of Marion also approved the *Community Preservation Act*, which provides important local funding support for affordable housing.<sup>53</sup> In May 2005, Marion Town Meeting voted to

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<sup>53</sup> In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case Town Meeting, how to spend the Community Preservation Fund.

adopt CPA with support of 71% of all voters. Marion approved a 2% surcharge that exempted low-income property owners as well as the first \$100,000 of a property's value.

The Community Preservation Committee is comprised of seven (7) members including representatives of the Housing Trust, Conservation Commission, Historical Commission, Planning Board, Parks Committee, and Open Space Committee, each appointed for three-year terms by the Board of Selectmen. Estimates indicate that the surcharge will raise approximately \$228,500 in fiscal year 2010, expected to be matched by the state at about a 35% level. The Town has committed specific funding to date for the following housing-related efforts:

- \$453,706.25 towards the expansion of Little Neck Village including a title exam and insurance (\$1,206.25), the Town's acquisition of property next to the existing Little Neck Village project (\$202,500), and additional subsidy to make the project feasible (\$250,000);
- \$40,000 for the Town's acquisition of a property off of Route 6 for one or two affordable units and preserved open space; and
- Approximately \$15,000 for the preparation of this Housing Plan.

This *Housing Production Plan* will also boost the Town's capacity to promote affordable housing as it provides the necessary blueprint for prioritizing and implementing affordable housing initiatives based on documented local needs, community input and existing resources. The Plan will also provide important guidance on how to invest funding from the Housing Trust Fund and CPA for housing and be helpful in making Marion more competitive for state discretionary funding under the Commonwealth Capital Program. The Plan will also provide the Town with a comprehensive resource on housing issues in Marion that can be readily updated as necessary.

To further build local capacity to meet local housing needs and production goals, the Town will undertake the following activities. While such actions do not directly produce affordable units, they help build important local support for new affordable housing initiatives.

#### 1. Conduct Ongoing Community Education

*Timeframe:* Years 1-2

*Responsible Party:* Marion Housing Trust and other sponsors of affordable housing-related initiatives such as the Planning Board and Community Preservation Committee

*Current Status:* Because most of the housing strategies in this Housing Plan rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be essential. Strategic efforts to better inform residents and local leaders on the

issue of affordable housing and specific new initiatives can build local support by generating a greater understanding of the benefits of affordable housing, reducing misinformation and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

*Next Steps:* The Town of Marion has sponsored opportunities for such input in the past, but will boost community education efforts. The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue of affordable housing, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education opportunities include:

- *Forums on specific new initiatives*  
As the Town develops new housing initiatives, the sponsoring entity will hold community meetings to insure a broad and transparent presentation of these efforts to other local leaders and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are requested.
- *Annual housing summits*  
Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing. Having a forum to share information on current housing issues will help foster greater communication and coordination among these entities. Additionally, inviting residents can help build community interest, improve communication and garner support. Many communities are sponsoring such events, at least on an annual basis. For example, Truro organized a panel discussion on housing issues, inviting representatives of other towns on the Cape and organizations involved in affordable housing. Yarmouth held a spaghetti dinner and offered an update on their affordable housing initiatives with opportunities for feedback from local leaders and the public.
- *Public information on existing programs and services*  
Despite a sluggish housing market, high housing costs are still creating problems for lower income residents. For example, renters continue to confront difficulties finding safe and decent rental units. Owners, including older residents living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements, and increasingly some may be faced with foreclosure. Additionally, some older adults and those with special needs require handicapped adaptations and repairs to help them remain in their homes. Marion residents in some areas of town might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

The Town will get the word out about existing programs and services that support homeownership, property improvements or help reduce the risk of foreclosure including first-time homebuyer and foreclosure prevention counseling from South Shore Housing Development Corporation, Pro-Home and others. For example, South Shore Housing and Pro-Home offer education courses for first-time homebuyers. Financial management and foreclosure prevention workshops are also available for homeowners interested in better managing their finances to avoid financial hardship and to better understand and avoid foreclosure. Additional housing rehab and counseling programs that are available to qualifying local residents are summarized in Appendix 3.

- *Educational opportunities for board and committee members*

Local boards such as the Board of Selectmen, Community Preservation Committee, Housing Trust, Zoning Board of Appeals, Planning Board and other interested local leaders will be encouraged to receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation. Moreover, requirements keep changing and local leaders must keep up-to-date. Funding for the professional development of staff, including the Housing Trust Coordinator will also help keep key professionals up-to-date on important new developments, best practices and regulations.

The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership conducts its Massachusetts Housing Institute at least annually, which is "an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices". Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition, also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural "how to" booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

*Resources Required:* Donated time from members of the Housing Trust as well as staff time from the Housing Trust's Administrative Assistant and potential Housing Coordinator (see strategy VI.A.3) to help organize the necessary forums, track training opportunities and inform appropriate local leaders. The Housing Trust will coordinate public meetings on zoning-related efforts involving affordable housing with the Planning Board.

## 2. Capitalize the Marion Affordable Housing Trust (MAHT)

Timeframe: Years 1-2

*Responsible Party:* Housing Trust with support from the Community Preservation Committee and Board of Selectmen

*Current Status:* The Marion Housing Trust was established in 2006 by a vote of Town Meeting and members were subsequently appointed by the Board of Selectmen. To date, the Housing Trust has received more than \$500,000 in funding through CPA funds. Additionally, the Housing Trust has raised some private funds towards the acquisition of a three-acre property to build a new house with affordable unit(s) in addition to preserving open space, working jointly with the Open Space Committee.

*Next Steps:* It will be important to explore a wide range of possible fundraising options to capitalize the Housing Trust Fund. It should be noted that some communities have decided to commit CPA funding to these Housing Trust Funds without targeting the funding to any one specific initiative. For example, the Towns of Grafton and Sudbury have been directing 10% of their annual CPA allocation to their Trust Funds. The Trusts are encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting funded its Housing Trust with \$700,000 of Community Preservation funding from its community housing reserves. The Marion Affordable Housing Trust will discuss such funding opportunities with the Community Preservation Committee.

In addition to CPA funding, payments offered in lieu of actual units as part of the Town's inclusionary zoning bylaw as well as other funds that might be tapped from developers would appropriately be deposited in the Housing Trust Fund. For example, developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B. The Housing Trust will have to carefully monitor these developments to determine if any of these situations arise.

The Town will also pursue private sector donations. This process of securing private support not only provides financial benefits to support local housing efforts, but it is also a vehicle for raising awareness of affordable housing and generating interest and political support for new housing initiatives. The Housing Trust, in partnership with the Open Space Committee, has already begun this through a private donation for the acquisition of a three-acre property as noted above.

Other communities, such as Chatham and Orleans for example, have separate local organizations that have effectively raised private funds for affordable housing (Friends



of Chatham Affordable Homes and Friends of Orleans Affordable Homes), and the Housing Trust will approach them to learn more about their efforts to date.

Many communities are reaching out to residents for private donations of land to promote housing affordability. Such contributions and the “bargain sale” of real estate could become a part of the Marion land ethic, but donations need to be promoted, nurtured, and facilitated. Habitat for Humanity has relied on private donations – property, funds, goods and services – for most of the homes they have built. Faith-based affordable housing initiatives are also widely viewed as effective, as reported by the organization World Vision.<sup>54</sup> The Housing Trust will also reach out to local churches on some additional activities that focus on affordable housing, including, for example, donations to the Housing Trust Fund, perhaps during Fair Housing month.

*Resources Required:* CPA funding in support of affordable housing initiatives. Other resources include the donated time of volunteers to coordinate fundraising activities with some staff support.

### 3. Secure Professional Support

Timeframe: Years 1-2

*Responsible Party:* Housing Trust with support from the Community Preservation Committee and Board of Selectmen

*Current Status:* As mentioned earlier, the Marion Affordable Housing Trust has a part-time administrative assistant who has been very helpful in providing important staff support. However, as the town makes progress in producing affordable housing, particularly in its efforts to promote Local Action Units under the state’s Local Initiative Program for counting towards annual production goals and the state’s 10% affordability threshold, it will need professional expertise. Such a housing professional will insure that all state requirements are met and provide the town with greater expertise and accountability towards the implementation of this Housing Production Plan. This position is even more important in the absence of a Town Planner.

*Next Steps:* The Housing Trust will prepare a scope of work for a part-time Housing Coordinator and present this proposed scope to the Community Preservation Committee and Board of Selectmen for approval. Following final funding approval by Town Meeting, the Housing Trust will prepare a Request for Proposals and select the most qualified respondent. There may even be opportunities to share this consultant with a nearby community that also currently lacks such expertise.

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<sup>54</sup> Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.



*Resources Required:* The costs of a housing consultant will vary according to the scope of work, however, most communities that have brought in such assistance have budgeted about \$25,000.

#### **4. Update Local LIP Rules and Procedures**

Timeframe: Years 1-2

*Responsible Party:* Housing Trust and Zoning Board of Appeals

*Current Status:* In January 2007, the Marion Affordable Housing Trust prepared a number of documents to better guide the local application and approval process of comprehensive permit projects, particularly “friendly” comprehensive permits. Because the state made significant changes to Chapter 40B in February 2008, including the Local Initiative Program, and some more minor changes after that, including modification to Fair Housing Guidelines, Marion’s current documents should be revisited and updated. These documents might also benefit from more detail, including potential guidelines on the type of affordable housing that would be preferred by the community in line with the local needs and priorities.

*Next Steps:* The Housing Trust, in cooperation with the Zoning Board of Appeals, the entity responsible for processing comprehensive permits, will make appropriate changes to the existing local rules and procedures pertaining to the filing and processing of such permits to reflect changes in state requirements and guidelines as well as local priorities and needs.

*Resources Required:* Donated time from members of the Housing Trust and Zoning Board of Appeals with staff support from the Town Administrator and potentially the proposed Housing Coordinator (see strategy VI.A.3).

### **B. Zoning Strategies**

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town’s Zoning Bylaw, and new tools will be required to capture more affordable units and better guide new development to specific “smarter” locations. It should also be noted that because Marion does not have substantial amounts of subsidy funds available for affordable housing, zoning becomes a powerful tool for “incentivizing” affordable unit production.

The Zoning Bylaw includes a minimum lot requirement of at least one half an acre as well as frontage, setback and other requirements that are not typically conducive to affordable housing, which typically relies on some economies of scale and density. This creates the likely

need for regulatory relief for most residential development that includes affordable units, possibly through the “friendly” comprehensive permit process that overrides local zoning if not through normal regulatory channels. Additionally, the Zoning Bylaw incorporates a number of provisions that while intended to encourage affordable housing, have not provided sufficient incentives to realize actual new affordable unit production and require some modification (see Section IV.B).

The Town of Marion will consider the following zoning-related strategies to promote the creation of additional affordable units and to better direct new development. These actions can be considered as tools that the Town will have available to promote new housing opportunities, each applied to particular circumstances. (Units created through the use of these bylaws are counted as part of housing production strategies included in Section VI.C.)

#### 1. **Promote Affordable Housing in Mixed-Use Development**

*Timeframe:* Years 1-2

*Responsible Party:* Planning Board with support from the Housing Trust

*Current Status:* In 2007 the Planning Board worked with a consultant, Randall Arendt, to pursue passage of a new bylaw, referred to as “traditional neighborhood development”, in an effort to create a mixed-use village center in the area surrounding the intersection of Route 105 and Route 6. This recommendation harked back to the Marion Growth Management Report that was completed in 1996, which identified four (4) “nodes” for mixed-use development and which was reiterated in the Marion 2015 Plan. This rural village concept is meant to direct growth and somewhat higher density to appropriate areas that are already zoned for commercial uses through a Neighborhood Overlay District (NOD). The Planning Board suggested that this zoning overlay would create the following important benefits:

- Retain Marion’s rural village character;
- Increase housing affordability at all income levels including housing for Town employees;
- Prevent unwelcome 40B projects;
- Incorporate and maintain public open space;
- Increase the Town’s tax base;
- Reduce the per unit costs of Town services;
- Enact “high hurdles” of special permits and eliminate by-right changes;
- Make use of existing infrastructure; and
- Promote growth under Town’s control

The Planning Board brought this bylaw to Town Meeting for approval in 2008, but it did not receive sufficient support for passage. It had considered presenting a similar Neighborhood Overlay District (NOD) at the May 2010 Town Meeting, but decided it needed more time to fine-

tune and present its proposal to the community.

*Next Steps:* The Planning Board has embarked on a community-wide outreach campaign, as suggested in strategy VI.A.1 above, that provides sufficient opportunities to offer information on the NOD to local leaders and residents, to get important feedback, and ultimately to hopefully insure local approval.

A fallback option would be to develop policy and design guidelines on mixed-use development and process acceptable mixed-use development projects through the “friendly” 40B process as established under the state’s Local Initiative Program (LIP) in areas that are appropriate for such development.

*Resources Required:* This strategy will require volunteer time from the Planning Board and Housing Trust.

## **2. Modify the Inclusionary Zoning Bylaw**

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board with support from the Housing Trust

*Current Status:* Based on the 2005 Affordable Housing Plan, the Town of Marion enacted an inclusionary zoning bylaw, which has not been used to date. The bylaw, while mandating that 10% of the units in projects of six (6) units or more be affordable, does not include any incentives for the inclusion of affordable units to help promote economic feasibility of the affordability requirement, as is the case in many such bylaws throughout the state. The bylaw also does not specifically address rental housing development.

*Next Steps:* The Marion Planning Board will review model bylaws that include density bonuses that provide incentives for using the bylaw and help offset the costs related to including affordable units. It should also specify the inclusion of affordability in rental developments. The Planning Board will prepare the zoning amendment and present the bylaw to Town Meeting for adoption. Ideally the adoption of this bylaw would lead to the production of actual housing units, but may also deliver payments in-lieu of actual units to help capitalize Marion’s Municipal Affordable Housing Trust Fund.

There are a variety of bylaws that have been adopted in localities throughout the state but requirements vary considerably. The Executive Office of Environment and Energy’s Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout ([www.mass.gov/envir/smart\\_growth\\_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)). The Citizen Planner Training Collaborative’s website has a model bylaw with commentary and some policies as well ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)).

*Resources Required:* The modifications to the bylaw will take some volunteer time from members of the Planning Board and Housing Trust, to research and determine the formula for the density bonuses and the language for other appropriate changes. It remains important to also insure that all affordable units produced through the bylaw get counted as part of the Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD if another housing subsidy is not used. The major tasks for insuring that the affordable units, referred to as Local Action Units (LAUs), meet the requirements of Chapter 40B are summarized at the introduction to this section. Some professional oversight is required from the proposed Housing Coordinator (see strategy VI.A.3).

### 3. Modify Accessory Apartment Bylaw

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board in coordination with the Housing Trust and with input from the Building Inspector

*Current Status:* The Zoning Bylaw allows accessory apartments in single-family homes or detached structures by special permit. The accessory unit can only be occupied by an immediate family member of the owner or comply with state LIP requirements to be affordable. The affordability component of the bylaw has not been used to date, largely because it requires a deed restriction. Moreover, tenants must now be chosen through a pre-approved list of qualifying renters, a "Ready Renters List", and family members are not eligible based on recent changes in state requirements. Only a few permits for accessory units have been approved to date for units occupied by family members, although it is generally recognized that a considerable number of illegal, unpermitted such units are spread throughout the community, which might pose health and safety problems for occupants.

*Next Steps:* Because accessory apartments provide small rental units that diversify the housing stock within the confines of existing dwellings or lots, the Town will amend the bylaw to better promote such units even if they are not eligible for inclusion in the Subsidized Housing Inventory. For example, the Planning Board will consider possible provisions for allowing occupancy of the units by non-family members even if the units are not affordable, granting approvals for existing accessory apartments that do not have the necessary permits, as well as allowing accessory apartments in commercial structures.

Moreover, the bylaw might promote housing affordability based on Wellfleet's Program that does not require deed restrictions, thus the units would still be affordable although ineligible for inclusion in the Subsidized Housing Inventory. Wellfleet has established the following process for approving Affordable Accessory Dwelling Units:

- Property owner applies for a special permit.

- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit. Those whose incomes are below 100% of area median are eligible for participation in Wellfleet's Affordable Accessory Dwelling Unit Loan Program that provides no interest loans to support necessary improvements.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit.
- The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied.
- Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners, or owners may be able to select their own.
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process (this requires state legislative approval).
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.

If a property owner decides at some point to opt out of the special permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a "private guest house" or office.

*Resources Required:* The donated time of local officials with professional support from the potential Housing Coordinator (see strategy VI.A.3) and Building Inspector.

#### 4. Map a Residence E District

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board in coordination with the Housing Trust

*Current Status:* Residence E District is the Multifamily Residence District that was meant "to encourage a limited amount of rental or ownership housing in Marion at a relatively low density to facilitate affordable housing and construction needs. Such housing must be served by public sewer and water. In keeping with the community's desire to maintain Marion as a place where single-family detached homes predominate, these regulations will apply only when the Marion Town Meeting decides to designate an area or areas as Residence E, Multifamily Residence."<sup>55</sup> These provisions were used for the development of Marconi Village.

<sup>55</sup> Marion Zoning Bylaws, Section 5.3.

*Next Steps:* The Housing Trust will work with the Planning Board to determine what area(s) of town might be appropriate for some amount of multi-family housing and then map this area(s), ultimately obtaining approval from Town Meeting.

*Resources Required:* The donated time of local officials.

## 5. Exempt Affordable Housing from the Development Rate and Subdivision Phasing Bylaws

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board in coordination with the Housing Trust

*Current Status:* The Marion Zoning Bylaw includes two specific provisions to control the rate of development including the Development Rate and Subdivision Phasing Bylaws (see Section IV.B for descriptions).

*Next Steps:* In an effort to better promote affordable housing and meet production goals, the Planning Board will amend these bylaws to exempt affordable housing.

*Resources Required:* The donated time of local officials.

## C. Housing Production Strategies

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Marion to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to rely on joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been actively pursuing over the past few years.

In addition to the participation of the development community, Marion will actively seek continued support from state and federal agencies. In addition to the state's Department of Housing and Community Development (DHCD), other state and quasi-public agencies that have resources to support affordable and special needs housing include MassHousing, MassDevelopment, Department of Intellectual Disabilities, Department of Mental Health, Community Economic Development Assistance Corp. (CEDAC), Massachusetts Housing Partnership Fund, and Massachusetts Housing Investment Corporation (MHIC). Regional resources, both financial and technical, will be sought out as well including South Shore Housing Development Corporation and Buzzards Bay Area Habitat for Humanity. Because affordable housing is rarely developed without private financing, developments remain reliant on private lenders as well.

The following strategies provide the basic components for the Town to meet its housing production goals:

**1. Continue to Make Suitable Public Land Available for Affordable Housing**

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen with support from the Housing Trust

*Current Status:* As mentioned in Section IV, major obstacles to developing affordable housing in Marion include the limited availability of developable property, publicly-owned property in particular. While the major thrust of many communities' proactive housing agendas has been the development of Town-owned properties that are suitable for some amount of affordable housing, this is more difficult to do in Marion as there are fewer options available. Consequently, the Town has focused on acquiring property including the parcel next to the Little Neck Village development that it is developing as low-income senior housing, having only recently received essential state financing. It is also pursuing a parcel off of Route 6 that will involve the building of an affordable new home and the preservation of open space, most of which is unbuildable as wetlands.

The following is a preliminary list of Town-owned properties that are either being planned for some amount of affordable housing, as is the case with the Route 6 property mentioned above, or under some preliminary consideration. Also, Appendix 4 includes a Velocity Zone and Wetlands map that has been prepared by the Town and indicates the locations of Town-owned property that will be further analyzed to determine other potential housing sites.

**Table VI-1  
Potential Town-owned Properties for Affordable Housing**

Map and Parcel #	Size (Acres)	Projected # Units	Comments
Map 11, Lot 93	3	1 or 2	The Town is currently negotiating with the seller to acquire the property
Map 15, Lot 51	8.26	At least 20	Water tower site/Mill Street

The Town of Marion may decide to acquire other privately owned sites at some time in the future for the purposes of protecting open space, providing for some municipal use, and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Additional smaller sites may become available as well to build affordable new starter homes on in infill basis. Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable

housing although most such property has typically been unbuildable. As the Town becomes alert to opportunities for acquiring property that would be suitable for some amount of affordable housing, such properties would ideally meet a number of “smart growth” principals such as:

- The redevelopment of existing structures,
- Infill site development including small home development as starter housing,
- Development of housing in underutilized locations with some existing or planned infrastructure,
- Parcels large enough to accommodate clustered housing,
- Mixed-use properties in village areas or along commercial corridors;
- Good carrying capacity for water and septic systems or can accommodate special treatment facilities,
- Buffer between adjacent properties, and
- Located along a major road.

*Next Steps:* The Housing Trust will continue to work with other Town boards and committees to identify and pursue surplus municipal property or acquire private property for the development of affordable housing. For such properties, when identified, the Town will provide the following types of support including:

- Where appropriate, the Town will support the costs of preliminary feasibility analyses of existing Town-owned parcels or on sites identified on the open market, through negotiations with interested sellers for reduced prices or through tax foreclosures that might potentially include some amount of affordable housing. Such analyses could be funded through Community Preservation funds or the Housing Trust Fund.
- Following the necessary approvals for the conveyance of Town-owned properties, the Housing Trust in concert with the Town’s Chief Procurement Officer and potentially a housing professional (see strategy VI.A.3), will prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town’s specific project requirements. They will then select a developer based also on identified criteria included in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and this might be obtained through normal regulatory channels, if community support is assured, or use the “friendly” comprehensive permit process through DHCD’s Local Initiative Program (LIP). In fact the Chapter 40B was used in the past in the development of the expansion of Little Neck Village.
- Additionally, the Town will need to be involved in attracting the necessary financial, technical and political support. The Town appreciates that evidence of municipal support is often critical when seeking financial or technical assistance from regional,



state or federal agencies. CPA funding or Housing Trust Funds are very helpful in leveraging very limited and competitive state and federal funding.

*Resources Required:* Resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the “friendly” comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Other developments require public subsidies to cover the costs of affordable or mixed-income residential development and need to access public subsidies through the state and federal government and other financial institutions to accomplish these objectives. Because the costs of development are typically significantly much higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often required to fill the gaps. Even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover. A mix of financial and technical resources will be required to continue to produce affordable units in Marion, as was the case with the Little Neck Village Expansion. Appendix 3 includes summaries of most of these programs.

The donated time of members of the Housing Trust and other Town boards and committees (such as Assessing, ZBA, the Planning Board, and Community Preservation Committee) will be important as well as coordination from the proposed Housing Coordinator (see strategy VI.A.3).

*Projected # Affordable Units Produced:* 12 units

## **2. Continue to Partner with Private Developers on Privately Owned Sites**

*Timeframe:* Years 1-2

*Responsible Party:* Housing Trust in cooperation with the Planning Board

*Current Status:* Continuing to work cooperatively with private developers, non-profit and for profit, is a major component of this Housing Production Plan, and the Town already has a track record working with developers on affordable housing including EAFish on the Little Neck Village Expansion project. With incentives created in the zoning bylaw to promote affordable housing (see Section VI.B) and with the availability of the “friendly 40B” option, the Town is in a good position to continue to work cooperatively with developers to guide new development that incorporates affordable units. Moreover, when the Town obtains certification under Housing Production guidelines by meeting its annual production goals, it will be in an even better position to negotiate with private developers on project terms and conditions since it will be able to deny what it considers inappropriate comprehensive permit projects.

*Next Steps:* The Town will focus on the following approaches to creating new affordable units on privately-owned parcels in line with “smart growth” principles:

- *Zoning changes:* The zoning strategies included in Section VI.B should provide the necessary framework and incentives to attract new development that will include affordable housing. In addition to allowing mixed-use development through the Neighborhood Overlay District (NOD), these zoning changes suggest greater zoning incentives for the inclusion of affordable or workforce housing in other new development, including small year-round rentals through accessory apartments.
- *Chapter 40B:* Comprehensive permits, particularly the “friendly” 40B process through the state’s Local Initiative Program (LIP), have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. Marion used the comprehensive permit process for its recently-funded Little Neck Village expansion project. Key to the success of this new development was the partnership between the Town and the developer as well as the developer’s specialized expertise in affordable housing development. Locations where the “friendly” 40B process make the most sense include areas along Marion’s commercial corridors that are closest to transportation and services, possible nonresidential properties that might be converted to residential use, and cluster developments. The introduction of municipal sewer and water services within the last few years provides opportunities for greater densities in appropriate locations of town.
- *Infill development:* Marion has a number of small-scale infill developments that have involved affordable housing and is interested in supporting additional projects. For example, the Town is in the process of acquiring a private property to both develop a new affordable home and conserve open space.
- *Assisted Living:* The *Marion 2015 Plan* and 2005 Affordable Housing Plan both recommended that the Town explore options for a continuum of care and services for older residents that include assisted living facilities. This is growing need given that older residents are becoming a larger segment of Marion’s population and those over the age of 65 are projected to continue to increase in the future. The Town is looking for ways to enable Marion resident to “age in place” including affordable housing options that involve some supportive services. While Sippican Healthcare, a 123-bed skilled nursing center in Marion, provides rehabilitation and long-term care, many older adults would benefit from a supportive living environment that falls between the traditional apartment options, such as Little Neck Village and Marconi Village, and more intensive health care models, such as nursing homes. There are currently no such options in Marion.

The Housing Trust will continue to reach out to local developers who have been active in producing affordable housing in the area to discuss the Town's interest in promoting these types of development, possible areas and opportunities for new development, and local guidelines and priorities. CPA funding and Housing Trust Funds to support preliminary feasibility analyses, some acquisition costs or other subsidies are a good investments towards meeting production goals and local needs. To effectively guide development, the Town has already established a formal process for reviewing local housing proposals in their early conceptual stages through its Housing Trust, providing useful feedback to developers on preliminary plans.

*Resources Required:* The Housing Trust will take the lead in reaching out to affordable housing developers and in staffing the local proposal review process, working with developers on the "friendly" 40B process where appropriate. The proposed Housing Coordinator would provide important support for these activities.

*Projected # Affordable Units Produced:* 186 units

### 3. Convert Existing Housing to Affordability

*Timeframe:* Years 3-5

*Responsible Party:* Housing Trust

*Current Status:* The Town of Marion applied for state funding in 2004 and 2005 to implement the Marion Homes Program to enable at-risk, income-eligible homeowners to continue to live in their own homes. The Program proposed the following:

- Assist the selected eligible homeowners in upgrading their homes to meet building codes;
- Exempt the participating homeowners from future property taxes; and
- Require homeowners to enter into deed restrictions so that when their homes are sold the resale prices will be affordable, in perpetuity, to prospective, income-eligible purchasers.

Both applications were ultimately not funded, but Marion has not overlooked the potential of converting existing market units to state-defined "affordable" ones under an alternative program design that has been approved by the state in other communities. Given somewhat sluggish market conditions, these buy-down efforts make considerable sense at this point as acquisition prices are a bit more reasonable.

There are a variety of program strategies that provide affordability by focusing on existing dwelling units rather than new ones including:

- Homebuyer Assistance Programs: Homebuyer Assistance Programs (also referred to as Mortgage Assistance Programs) provide subsidies to qualified first-time homebuyers to fill the gap between the market purchase price and the affordable price that is allowed under the state's Local Initiative Program (LIP). Such programs have been adopted in a number of towns and cities in the state. For example, the Town of Chatham has introduced the First Time Homebuyers Assistance Program that uses up to \$60,000 in CPA funds per household to fill the gap between the market price of a home and the affordable purchase price as allowed under the state's Local Initiative Program (LIP). Purchasers are pre-qualified through the Program before they are able to search in the private housing market for a qualifying home and deed restrictions are required. Purchasers are also required to attend first-time homebuyer classes and encouraged to explore more affordable mortgage financing such as loans through the state's Soft Second Loan Program. The Chatham Housing Authority administers the Program. Comparable programs are also available in Marshfield, Acton, Cambridge, Newton, and Bourne, largely subsidized through Community Preservation funding. Most of these efforts have been implemented during the last several years.
- Buy-down Programs: This program involves the purchase of one or two-family structures or other housing types, renting or reselling one (or possibly both/several) of the units subject to a deed restriction that assures permanent affordability. Buy-down programs have proven to be viable strategies in a number of communities including the Sandwich Home Ownership Program (SHOP) implemented several years ago that produced seven (7) affordable housing units under the coordination of the Housing Assistance Corporation (HAC), the Cape's regional non-profit housing organization. Buy-down programs are usually coordinated by a non-profit housing organization and have also been implemented in Cambridge, Newton, Bedford and Arlington, for example. A number of communities – including Sandwich, Barnstable and Lexington – have had their Housing Authorities or another non-profit organization acquire properties that they continue to own and manage as rentals.
- Hybrid Programs: Some communities have combined the above two approaches such that the program sponsor identifies the properties for acquisition, places an option on the property, identifies the purchaser from the prepared Ready Buyers List, and offers its subsidy at the mortgage closing. For example, the Sudbury Housing Trust searches the market for a property within its "price point", at about \$350,000, which is at the lowest end of the market in this community. This market price, plus consideration for some repairs, creates a gap of approximately \$200,000 given the maximum affordable purchase price of about \$175,000 when using state LIP requirements. Thus \$200,000 has been the maximum per unit subsidy for the program. The Housing Trust has also subsidized additional units in private comprehensive permit projects to create more affordable units in these developments.

*Next Steps:* The Town will review these models and determine which makes the most sense in Marion. It will then prepare an implementation plan that outlines program procedures and the respective roles and responsibilities of various municipal staff persons and boards and committees. The focus of such an initiative will be those housing units that are most affordable in Marion's private housing market to minimize the amount of subsidy required to fill the gap between the purchase price and any costs of improvements and the affordable rents or purchase prices. Smaller homes are reasonable targets. Community Preservation funding could be used to subsidize the Program, and a funding request would have to be submitted to the Community Preservation Committee at some point.

*Resources Required:* The donated time of members of the Housing Trust and some potential professional time from a consultant (see strategy VI.A.3) to prepare an implementation strategy and coordinate program operations.

*Projected # Affordable Units Produced:* 6 units

## APPENDIX 1

### Summary of Housing Strategies

Strategies	Priority for Implementation		# Affordable Units	Responsible Party**
	In Years 1-2	In Years 3-5		
<b>Capacity Building Strategies</b>				
1. Conduct ongoing community education	X		*	HT
2. Capitalize the MAHT	X		*	HT/CPC-BOS
3. Insure professional support	X		*	HT/CPC-BOS
4. Update local LIP rules and procedures	X		*	HT/ZBA
<b>Zoning Strategies</b>				
1. Promote affordable housing in mixed-use development	X		*	PB/HT
2. Modify inclusionary zoning		X	*	PB/HT
3. Modify accessory apartment bylaw		X	*	PB/HT and Building Insp.
4. Map a Residence E District		X	*	PB/HT
5. Exempt affordable housing from the development rate and subdivision phasing bylaws		X	*	PB/HT
<b>Housing Production Strategies</b>				
1. Continue to make suitable public land available for affordable housing	X		12	BOS/HT
2. Continue to partner with private developers	X		186	HT/PB
3. Convert existing housing to affordability		X	6	HT

*\* Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted towards production goals.*

#### **\*\*Abbreviations**

Housing Trust = HT

Board of Selectmen = BOS

Planning Board = PB

Community Preservation Committee = CPC    Zoning Board of Appeals = ZBA

## APPENDIX 2

### Glossary of Housing Terms

#### **40R/40S**

State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 3 for details).

#### **Affordable Housing**

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

#### **Area Median Income (AMI)**

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

#### **Chapter 40B**

The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

#### **Chapter 44B**

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

#### **Cluster Development**

A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

#### **Comprehensive Permit**

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

**Conservation Development**

A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.

**Department of Housing and Community Development (DHCD)**

DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

**Design Guidelines**

A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

**Easements**

The right to use property for specific purposes or to gain access to another property.

**Energy Star**

A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

**Enhanced Single Room Occupancy (ESRO)**

A single person room with a private bath and/or kitchen rather than shared facilities.

**Expedited Permitting**

The state's Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

**Fair Housing Act**

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

**Form-based Zoning**

Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

**Green Building**

A term used to describe buildings that have been designed or retrofitted to reduce energy consumption



**Inclusionary Zoning**

A zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

**Infill Development**

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

**LEED**

Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

**Local Initiative Program (LIP)**

A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

**MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)**

A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

**Metropolitan Statistical Area (MSA)**

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

**Mixed-Income Housing Development**

Development that includes housing for various income levels.

**Mixed-Use Development**

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

**Overlay Zoning**

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

**Planned Development**

A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

**Public Housing Agency (PHA)**

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

**Regional Non-Profit Housing Organizations**

Regional non-profit organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. South Shore Housing Development Corporation serves as Marion's regional non-profit organization.

**Regional Planning Agencies (RPAs)**

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Southeast Regional Planning and Economic Development District (SRPEDD) serves as Marion's regional planning agency.

**Request for Proposals (RFP)**

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

**Section 8**

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of

their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

### **Single Room Occupancy (SRO)**

A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and /or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

### **Smart Growth**

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

### **Subsidy**

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local Initiative Program (LIP), DHCD’s technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

### **Subsidized Housing Inventory (SHI)**

This is the official list of units, by municipality, that count toward a community’s 10% goal as prescribed by Chapter 40B comprehensive permit law.

### **Sustainability**

Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

### **Transfer of Development Rights (TDR)**

A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

### **Transit Oriented Development (TOD)**

Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

**U.S. Department of Housing and Urban Development (HUD)**

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

## APPENDIX 3

### Summary of Housing Regulations and Resources

#### I. SUMMARY OF HOUSING REGULATIONS

##### A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Affordability restrictions must be in effect in perpetuity unless there is a justification for a shorter term that must be approved by DHCD.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met<sup>56</sup>:

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes

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<sup>56</sup> Section 56.03 of the new Chapter 40B regulations.

affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community's land area.

- The community has made "recent progress" adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Planned Production.
- The application is for a "large project" that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A "related application" for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA's decision to the state's Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>57</sup> Recently approved regulations add a new requirement that ZBA's provide early written notice (within 15 days of the opening of the local hearing) to the applicant and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

If the applicant appeals the use of these "appeals proof" grounds, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA's position). Either the ZBA or applicant can appeal DHCD's decision by filing an interlocutory appeal with the Housing Appeals Committee (HAC) within 20 days of receiving DHCD's decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these "appeal-proof" grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*  
Units receiving zoning approval under 40R count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a comprehensive permit project.
- *Certificate of Occupancy*

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<sup>57</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued with 18 months.

- *Large Phased Projects*

If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*

Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.

- *Biennial Municipal Reporting*

Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined under state guidelines including current residents, municipal employees, or employees of businesses located in town. It is also worth noting that the Town, through its Affirmative Fair Housing Marketing Plan, must demonstrate the associated local need for the community preference and insure that there will be no discriminatory impacts with the use of community preference.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their endorsement of the project, and the Selectmen can submit an application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant requests otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project "uneconomic". The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.



New Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that their rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and cannot require an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lacks minimum required qualifications.
- Specifies and limits the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or require a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost

examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

## **B. Housing Production Regulations**

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (10 units and 21 units, respectively, for Marion until the new census figures are available in 2011) for *approval* by DHCD.<sup>58</sup>
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure based on future planned improvements.

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<sup>58</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
  - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
  - Identification of specific sites on which comprehensive permit applications will be encouraged.
  - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
  - Municipally owned parcels for which development proposals will be sought.
  - Participation in regional collaborations addressing housing development.

Plans must be adopted by the Board of Selectmen and Planning Board, and the term of an approved plan is five (5) years.

### C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>59</sup>

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”<sup>60</sup> The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and

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<sup>59</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

<sup>60</sup> Massachusetts General Law, Chapter 40R, Section 11.

- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments	
Incentive Units	Payments
Up to 20	\$10,000
21 - 100	\$75,000
101 - 200	\$200,000
210 - 500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be "able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood."<sup>61</sup>

The principal benefits of 40R include:

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;

<sup>61</sup> "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," p. 4.

- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

#### **D. Local Initiative Program (LIP) Guidelines**

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called "friendly" 40B's, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

##### *Income and Assets*

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted "over 55" housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

##### *Allowable Sales Prices and Rents<sup>62</sup>*

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<sup>62</sup> DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees<sup>63</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

#### *Allowable Financing and Costs*

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a

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<sup>63</sup> DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.

- No third party mortgages are allowed for homeownership units.

### ***Marketing and Outreach***

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws and the state's Affirmative Fair Housing Marketing Plan Guidelines.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of up to 70% of the units may be local preference units for those who have a connection to the community as defined by the state under Section III.C of the Comprehensive Permit Guidelines.
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s) and must demonstrate the need for local preference as well as insure that there will be no discriminatory impacts as a result of using local preference criteria.
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

### ***Regulatory Requirements***

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on "households" = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- for at least 15 years for housing rehabilitation and 30 years for new construction.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –



- 1 bedroom – 700 square feet/1 bath
- 2 bedrooms – 900 square feet/1 bath
- 3 bedrooms – 1,200 square feet/ 1 ½ baths
- 4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
  - Developer meets with Town
  - Developer and Town agree to proposal
  - Town chief elected officer submits application to DHCD with developer’s input
2. DHCD review involves the consideration of:
  - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
  - Number and type of units,
  - Pricing of units to be affordable to households earning no more than 70% of area median income,
  - Affirmative marketing plan,
  - Financing, and



- Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
  4. Zoning Board of Appeals holds hearing
    - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
    - Developer forms a limited dividend corporation that limits profits.
    - The developer and Town sign a regulatory agreement.
  5. Marketing
    - Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
    - Local preference is limited to those who live/work in the community with a maximum of 70% of the affordable units.
    - Marketing materials must be available/application process open for a period of at least 60 days.
    - Lottery must be held.
  6. DHCD approval must include
    - Marketing plan, lottery application, and lottery explanatory materials
    - Regulatory agreement (DHCD is a signatory)
    - Deed rider (Use standard LIP document)
    - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: [janice.lesniak@state.ma.us](mailto:janice.lesniak@state.ma.us)). For legal questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: [elsa.Campbell@state.ma.us](mailto:elsa.Campbell@state.ma.us)).

#### **E. Commonwealth Capital<sup>64</sup>**

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use

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<sup>64</sup> This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state's goal is to invest in projects that are consistent with Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Applications can be submitted at any time and will be valid for the programs listed above throughout the current fiscal year. Communities should submit applications prior to the deadline for any Commonwealth Capital program to which they are applying to ensure that their score will count. Applications should be submitted electronically, and each community is assigned its own login and password.

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

- Public Works Economic Development Program (EOTPW)
- Bike and Pedestrian Program (EOTPW)\*
- Transit Oriented Development Bond Program (EOTPW)
- Community Development Action Grant Program (EOHED and DHCD)
- State Revolving Fund (EOEEA and DEP)
- Urban Brownfields Assessment Program (EOEEA)\*
- Urban Self-Help Program (EOEEA and DCS)
- Drinking Water Supply Protection Grant Program (EOEEA)
- Urban River Visions Program (EOEEA)\*
- Coastal Pollutant Remediation Grant Program (EOEEA and CZM)
- Coastal Nonpoint Source Pollution Grant Program (EOEEA and CZM)
- Off-Street Parking Program (EOAF)

- Smart Growth Technical Assistance Program (for this program EOEEA will use inverse Commonwealth Capital scores. Unlike the other 13 programs, a primary goal of this program is to help communities with low scores improve.)

\* Indicates programs that were eliminated in program changes.

Changes to Commonwealth Capital add the following programs:

- Small Town Road Assistance Program (EOTPW)
- MA Opportunity Relocation and Expansion (MORE)
- Jobs Capital Program (MOBD)
- Water Transportation Capital Funding Program (EOTPW)
- Alternative Energy Property Program (EOEEA-DOER)

The application involves a maximum score of 140 points, including bonus points. The Commonwealth Capital score will account for 30% of the possible application points for any of the Commonwealth Capital programs. The other 70% points are related to the purpose of the particular program and the merits of the proposed project. Communities receive points for zoning, planning, housing, environmental, energy, transportation, and other measures that already exist as well as measures they commit to implement by the end of 2009 (for this year's application). Additionally, communities can receive bonus points for successfully implementing commitments made in their 2008 applications.

The major components of the proposed Commonwealth Capital application and corresponding total point allocations are provided below:

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)
- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

A greater number of points are granted for actions that are already in place but points are also issued for commitments that have not yet been implemented.

## II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Marion are described below.<sup>65</sup>

### A. Technical Assistance

#### 1. *Priority Development Fund*<sup>66</sup>

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and

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<sup>65</sup> Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

<sup>66</sup> Description taken from the state's program description.

- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as "Initiatives of Exceptional Merit," in order to increase the amount of assistance and scope of services for certain projects.

## **2. *Peer to Peer Technical Assistance***

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

## **3. *MHP Intensive Community Support Team***

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

## **4. *MHP Chapter 40B Technical Assistance Program***

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

#### **5. *Smart Growth Technical Assistance Grants***

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community's Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

#### **B. Housing Development**

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and

need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

### **1. *HOME Program***

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

Because Marion is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town would need to join a consortium of other smaller towns and cities to receive funding or submit funding applications to DHCD on a project by project basis through its One Stop Application. Marion is not part of a Consortium so would have to apply directly to DHCD for this funding at this time.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Those communities that do not receive HOME or CDBG funds



directly from HUD, like Marion, can apply for up to \$65,000 per unit. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

## **2. *Community Development Block Grant Program (CDBG)***

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

The **Housing Development Support Program (HDSP)** provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There are no per unit maximums or recommended maximum total development costs. Funding is distributed through Notices of Funding Availability that occur once or twice a year. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP. (This program is not currently funded but the state is providing CDBG funds to fund comparable projects.)

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high "statistical community-wide needs", however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. This may be the best source of CDBG funding for Marion besides HDSP described above. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

## **3. *Housing Stabilization Fund (HSF)***

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations

with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

#### **4. *Low Income Housing Tax Credit Program***

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

#### **5. *Affordable Housing Trust Fund***

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.

- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

#### **6. *Housing Innovations Fund (HIF)***

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

#### **7. *Federal Home Loan Bank Board's Affordable Housing Program (AHP)***

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

#### **8. *MHP Permanent Rental Financing Program***

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years

ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

#### **9. *OneSource Program***

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

#### **10. *Section 8 Rental Assistance***

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

#### **11. *Massachusetts Preservation Projects Fund***

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted

endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

#### **12. *District Improvement Financing Program (DIF)***

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

#### **13. *Urban Center Housing Tax Increment Financing Zone (UCH-TIF)***

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

#### **14. *Community Based Housing Program***

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

### **C. Homebuyer Financing and Counseling**

#### **1. *Soft Second Loan Program***

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down

payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Marion is already a participating community in the Program.

## **2. *American Dream Downpayment Assistance Program***

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

## **3. *USDA Section 502 Financing***

Because the US Department of Agriculture defines Marion as a rural area, home purchasers may be eligible for Section 502 financing. These Rural Housing Direct Loans, directly funded by the federal government, are available for qualifying households to obtain homeownership. The program provides 100% financing to purchase an existing dwelling or purchase a site and construct a new home. Loan terms are for up to 33 years for those earning below 80% of area median income (AMI), 38 years in the case of those earning below 60% AMI and who cannot afford the 33-year term. The term is 30 years for manufactured homes. The interest rate is set by the program based on the government's cost of money, however that interest rate is modified by a payment assistance subsidy. Purchased homes must be "modest" in terms of size, design and cost, and the applicant must demonstrate that they cannot obtain financing from another source.

## **4. *Homebuyer Counseling***

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organizations that offer these workshops in closest proximity to Marion include the following:

Fall River Affordable Housing Corporation  
Bob Landry  
(508) 677-2220

Pro-Home, Inc.



Taunton  
Mary Ellen Rochette  
(508) 821-1092

South Shore Housing Development Corporation  
Kingston  
Sharon Hurley  
(781) 422-4200

#### **4. *Self-Help Housing.***

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

#### **D. Home Improvement Financing**

##### **1. *MassHousing Home Improvement Loan Program (HLP)***

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

##### **2. *Get the Lead Out Program***

MassHousing's Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

##### **3. *Septic Repair Program***

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to

\$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

#### **4      *Home Modification Program***

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. The area's regional non-profit organization, South Shore Housing, administers these funds for the state. The Marion Council on Aging also is available to help older residents complete application materials.

#### **5.      *Rural Housing Repair and Rehabilitation Loans***

Marion is defined as a rural area by the US Department of Agriculture's Rural Development Housing and Community Facilities Programs. Through the USDA's Rural Housing Repair and Rehabilitation Program, funding is available to very low-income homeowners, earning within 50% of area median income, who need to make home repairs to remove health and safety hazards. Owners must also have been unable to get home improvement financing elsewhere and be at least 62 years of age to qualify. Loans of up to \$20,000 for a maximum term of 20 years at 1% interest are offered as well as grants of up to \$7,500. Grants may be recaptured if the property is sold in less than three (3) years. A grant/loan combination is made if the applicant can repay part of the cost of the loan.



Appendix 4  
Velocity Zone and Wetlands Map